

The Families First Coronavirus Response Act

Frequently Asked Questions

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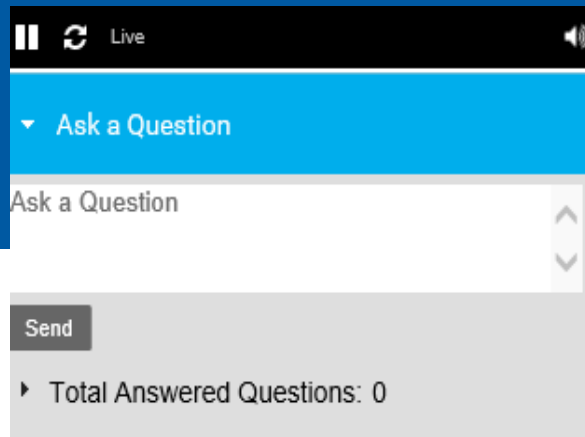
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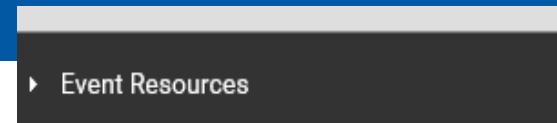
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Today's Host

Thad Inge

Sr. Manager, Government Relations

Thad Inge joined Paychex in 2016 and is based in Washington, D.C., where he serves as Senior Manager for Government Relations. As part of his portfolio, Thad works closely with Congress, the Executive Branch, trade associations, and public policy organizations to monitor and advance policies of importance to Paychex and its small business customers.



Today's Speaker

Mike Trabold

Director of Compliance

Mike Trabold is the Director of Compliance Risk Management for Paychex. In his role, Mike directs the compliance and regulatory activities of the company, as well as manages the company's relationships with various federal, state, and local regulators and tax agencies.

Agenda

1 What is the Families First Coronavirus Response Act?

2 Frequently Asked Questions

3 What's Next?

4 Q&A and Helpful Resources

What is the Families First Coronavirus Response Act (FFCRA)?

What is the Families First Coronavirus Response Act (FFCRA)?

Includes the [Emergency Family and Medical Leave Expansion Act](#)

- Temporarily expands provisions of the Federal Family and Medical Leave Act (FMLA) to include “public health emergency leave.”
- Provides a refundable tax credit.

Includes the [Emergency Paid Sick Leave Act](#)

- Requires employers to provide sick time, available for immediate use, to each employee who requires such time for qualifying reasons associated with COVID-19.
- Provides a refundable tax credit.

Includes the [Emergency Unemployment Insurance Stabilization and Access Act of 2020](#)

- Provides \$1 billion in emergency grants to states for activities related to facilitating unemployment insurance benefits, under certain conditions, and so long as certain requirements are met.

Includes some direction for health insurance coverage related to COVID-19 diagnostic testing.

The final bill will take effect for covered employers [on April 1, 2020](#) and sunsets [Dec. 31, 2020](#).

It should be noted that these provisions generally apply to private employers with fewer than 500 employees.

Frequently Asked Questions

Frequently Asked Questions

How should I be counting my employees for the purposes of the 500-employee threshold?

Employee count must be taken at time of employee's leave, and include the following:

- Both full-time and part-time employees without respect to the number of hours the employee works.
- Employees currently on leave.
- Temporary employees who are jointly employed by you and another employer (regardless of whether the jointly-employed employees are maintained on only your or another employer's payroll).
- Day laborers supplied by a temporary agency (regardless of whether you are the temporary agency or the client firm, if there is a continuing employment relationship).

Workers who are properly classified as independent contractors under the Fair Labor Standards Act (FLSA) are not considered employees for purposes of this employee count and are not eligible for benefits under the FFCRA.

Frequently Asked Questions

Does the Families First Coronavirus Response Act address the cost of COVID-19 testing?

The Act does include some direction for health insurance coverage related to COVID-19 diagnostic testing and provider visits, including:

- Office visits.
- Urgent care visits.
- Emergency room visits.

Visits must be provided without any co-pays, coinsurance, or deductibles.

Additionally, no prior authorizations may be required for testing.

Frequently Asked Questions

Who Does the Emergency Family and Medical Leave Expansion Act cover?

- Private employers with fewer than 500 employees, and public employers. *(Certain exemptions from one or more provisions may apply for smaller employers and employers of healthcare workers and emergency responders; these exemptions are detailed in the legislation and can require approval from the Department of Labor.)*
- Employees who have been on payroll for the 30 days immediately preceding the qualified leave.
- Employees covered under a multi-employer bargaining agreement are addressed separately in the legislation.

Frequently Asked Questions

What qualifies as a leave under the Emergency Family and Medical Leave Expansion Act?

Qualifying need definition:

“...the employee is unable to work (or telework) due to a need for leave to care for a son or daughter younger than 18 years of age of such employee if the school (meaning a primary or secondary school only) or place of care has been closed, or the childcare provider of such a son or daughter is unavailable, due to a public health emergency.”

Eligible employees who qualify for FMLA leave would be paid by their employer after the first 10 days of leave at a rate of not less than two-thirds of their current rate of pay for the number of hours the employee would otherwise be scheduled to work, up to a maximum of \$200 per day or an aggregate of \$10,000, for up to 12 weeks in the benefit year.

Employees taking leave under the Emergency FML Expansion Act must be permitted to elect to use any available paid time off including vacation, personal time, medical leave and/or sick leave during their FMLA leave, but employers may not mandate they do so.

Frequently Asked Questions

Are there payroll tax credits for businesses under Emergency FMLA?

Yes!

- Refundable tax credit equal to 100% of the wages paid by an employer each calendar quarter.
- Tax credit is allowed against the employer portion of the Social Security tax rate of 6.2%, the Medicare rate of 1.45%, and the Federal Income Tax rate.
- Wage amount is capped for each employee at \$200 per day and \$10,000 for all calendar quarters.
- If tax credit exceeds the employer's total in any calendar quarter, the excess credit is refundable to the employer.
- Specific rules apply that prevent a double tax benefit.

Frequently Asked Questions

What is required under the Emergency Paid Sick Leave Act?

- Private employers with less than 500 employees and certain public and government employers are required to provide up to 80 hours of paid sick leave to eligible full-time employees; part-time employees are eligible for paid sick time in an amount equal to the average number of hours regularly scheduled in a two-week period.
- Calculations and caps for compensation vary dependent on the reason for leave, up to the maximum \$511 per day if the employee is directly impacted, and up to \$200 per day if it is for care provided to someone else. Aggregate caps exist, as well.
- Employers are required to post a notice of employee rights, which can be found online at www.dol.gov/agencies/whd/pandemic.

Frequently Asked Questions

What is required under the Emergency Paid Sick Leave Act? (Cont'd)

It is important to note:

- Paid sick leave available under this Act is in addition to sick leave available under an employers existing policy. Employers are prohibited from making any changes to their policy on or after enactment of this Act.
- Employees may not be required to use other available paid time off before using paid sick time under this Act.
- Employees covered under a multiple-employer bargaining agreement are addressed separately in the legislation.
- Exemptions apply for employers of healthcare workers and emergency responders at their election.
- Paid sick time provided under this Act is not preempted by other federal, state, or local laws.
- Employees may be eligible for both Emergency Family Medical Leave and Emergency Paid Sick Leave.

Frequently Asked Questions

Are there payroll tax credits for businesses under the Emergency Paid Sick Leave Act?

Yes!

- Refundable tax credit equal to 100% for wages paid by the employer under this Act for each calendar quarter.
- Tax credit is allowed against the employer portion of the tax imposed Social Security rate (6.2%), the Medicare rate (1.45%), and the Federal Income Tax rate.
- Credit amount is capped at the maximum of \$511 or \$200 per day, depending on the reason.
- If credit exceeds the employer's total liability in any calendar quarter, the excess is refundable to the employer.
- Specific rules apply that prevent a double tax credit.

Frequently Asked Questions

Will there be extra funding for states to handle unemployment insurance claims?

The Emergency Unemployment Insurance Stabilization and Access Act of 2020 will provide \$1 billion total in emergency grants to states for activities related to facilitating unemployment insurance benefits, under certain conditions, and as long as certain requirements are met, including that they:

- Require employers to provide notification of potential UI eligibility to laid-off workers.
- Ensure that workers have at least two ways (for example, online and phone) to apply for benefits.
- Notify applicants when an application is received and being processed and if the application cannot be processed, provide information to the applicant about how to ensure successful processing.

Frequently Asked Questions

How, specifically, will the \$1 billion be allocated?

- \$500 million to be used to provide immediate additional funding to all states for staffing, technology, systems, and other administrative costs.
- \$500 million set aside in reserve for emergency grants to states that experienced at least a 10% increase in unemployment. Those states would be eligible to receive an additional grant, in the same amount as the initial grant, to help cover the costs incurred due to the sudden spike in unemployment.

Additionally:

- States will also have access to interest-free loans to help pay regular UI benefits through Dec. 31, 2020, if needed.
- The Secretary of Labor will work with states who want to implement work-sharing programs for employers looking to reduce hours instead of laying employees off.

What's Next?

Looking Ahead

Small Business Association (SBA) Economic Injury Disaster Loan Program

Provides low-interest federal disaster loans for working capital to be provided to small businesses suffering substantial economic injury as a result of the COVID-19 (coronavirus) pandemic.

Applications now being accepted on SBA website.

More information available on www.Paychex.com/WORX.

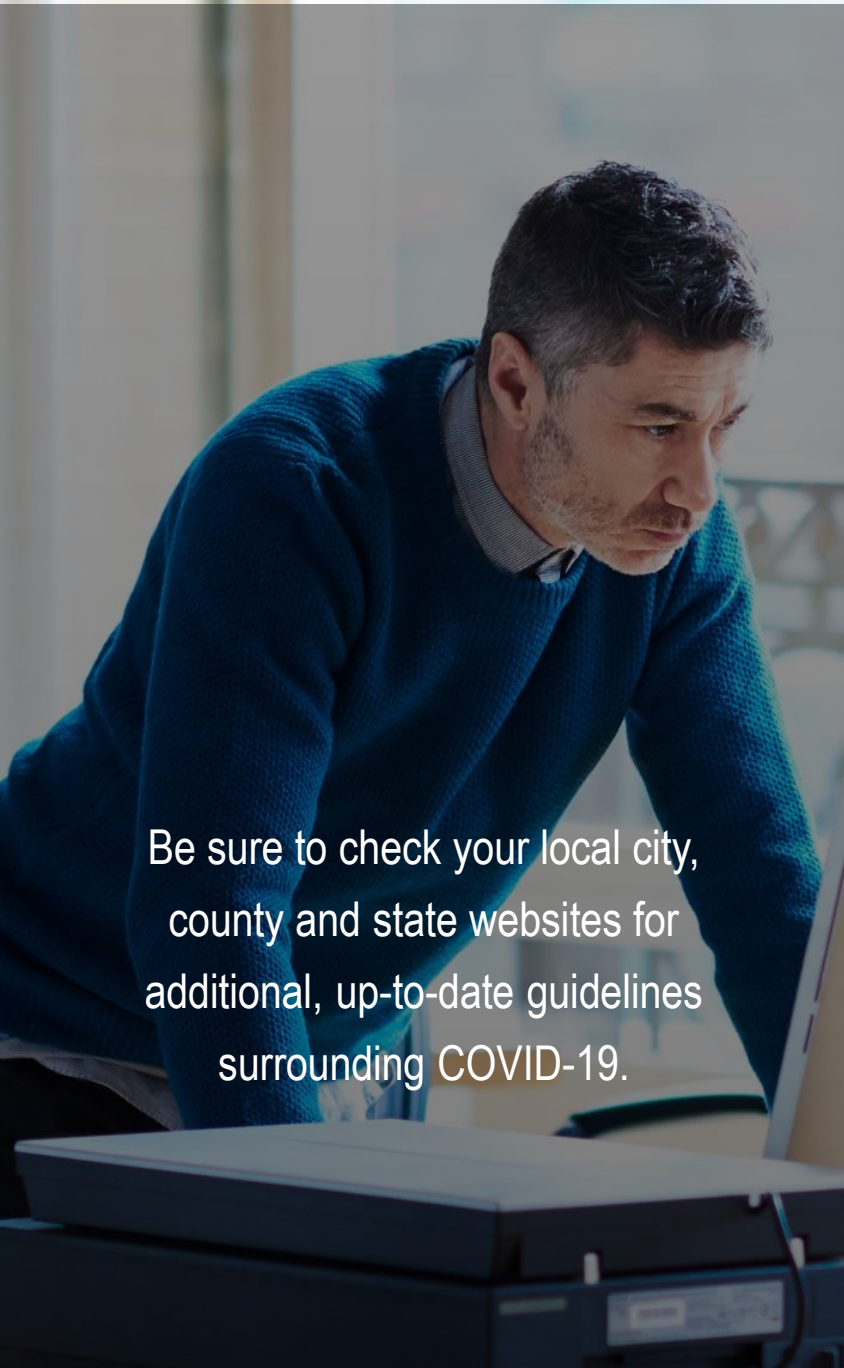
Federal Reserve Main Street Business Lending Program

Stimulus package now under consideration in Congress to support lending to eligible small- and medium-sized businesses, bolstering lending from the SBA.

Federal Reserve Term Asset-Backed Securities Loan Facility (TALF)

Would support the issuance of asset-backed securities (ABS) collateralized by loans guaranteed by the SBA.

Questions?



Be sure to check your local city, county and state websites for additional, up-to-date guidelines surrounding COVID-19.

Resources

[Centers for Disease Control \(CDC\)](#)

- Interim guidance for businesses and employers
- Cleaning and disinfecting recommendations

[World Health Organization \(WHO\)](#)

- How to protect yourself
- Situation updates

[Small Business Administration \(SBA\)](#)

- Planning and responding to COVID-19
- Economic Injury Disaster loan program

[US Dept. of Labor \(DOL\)](#)

- FLSA and wage/hour guidelines
- FFRCA Q&A

[Equal Employment Opportunity Commission \(EEOC\)](#)

- Hiring during the COVID-19 pandemic

[Occupational Safety and Health Administration \(OSHA\)](#)

- Guidance for employers on control and prevention of COVID-19 in the workplace

[Paychex.com/support/coronavirus](#)

- Responding to COVID-19 at work
- Families First Coronavirus Response Act
- Payroll processing
- Financial assistance tools and resources
- Health insurance and workers' compensation

Thank You!



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