

COVID-19 UPDATE FOR EMPLOYERS

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UPDATE ON NEW FEDERAL LAW IMPACTING EMPLOYERS

Families First Coronavirus Response Act (passed on 3/14/20)

EMERGENCY PAID SICK LEAVE ACT

- Effective **April 2, 2020**
- Employers (with less than **500** employees) are required to provide paid sick time to Full-Time and Part-Time employees (regardless of length of employment) if the employee is unable to work due to one (1) or more of the following reasons:

1. Employee is subject to federal, state or local quarantine or isolation order related to COVID-19;
2. Employee has been advised by a health care provider to self-quarantine;
3. Employee is caring for individual (not necessarily a family member) subject to an order to quarantine or has been advised by a health care provider to self-quarantine;

(Pay for 1-3 above: Full regular rate of pay, **CAPPED** at \$511 per day, and \$5,110 in the aggregate).

4. Employee has symptoms and is seeking a medical diagnosis;
5. Employee caring for son or daughter of employee if school is closed or regular child-care provider is not available;
6. Employee is experiencing a substantially similar condition specified by the Secretary of Health and Human Services.

(Pay for 4-6 above: Two-thirds of the regular rate of pay, **CAPPED** at \$200 per day, and \$2,000 in the aggregate).

Other Important Parts of the New Law:

- Employer cannot require employees to use other paid leave before using the emergency federal paid leave;
- A model notice is required to be posted 7 days after Act becomes effective (by **April 9, 2020**);
- Unlawful to discharge, discipline or discriminate against any employee who takes leave under this new law;
- Full-Time employees are eligible for **80 hours** of paid leave; Part-Time employees are eligible for a number of

hours equal to the number of hours that such employee works, on average, over a 2-week period.



Act Expires **December 31, 2020**



Employers will be allowed a **refundable tax credit** against the employer portion of Social Security taxes. The credit will equal 100% of the wages paid under the Emergency Paid Sick Leave combined for each calendar quarter. Employers will be reimbursed for amounts paid that exceed the amount of Social Security taxes the employer would owe.