

## Congress Passes COVID-19 Coronavirus Response Act

On March 18, the Senate passed the Families First Coronavirus Response Act. This is designed to address the impact of the COVID-19 outbreak on American families. It introduces a federal mandated paid sick leave and temporarily expands the Family and Medical Leave Act. For ACSI Christian schools this does apply; there is no exemption for private employers or nonprofits. This will go into effect on **April 2** and expires **December 31, 2020**. **It has two provisions that impact our Christian Schools.**

### *Provision One – Emergency Paid Sick Leave*

**Reasons for Paid Sick Leave** – This Act allows an eligible employee to take paid sick leave because the employee is:

1. subject to a federal, state or local quarantine or isolation order related to COVID-19; (ACSI believes this would include business closures and school closures)
2. advised by a health care provider to self-quarantine due to COVID-19 concerns;
3. experiencing COVID-19 symptoms and seeking medical diagnosis; (ACSI believes this means staying home because of symptoms or medical diagnosis)
4. caring for an individual subject to a federal, state or local quarantine or isolation order or advised by a health care provider to self-quarantine due to COVID-19 concerns; (An individual is not defined, so this could be anyone, even outside of family)
5. caring for the employee's child if the child's school or place of care is closed or the child's care provider is unavailable due to public health emergency; or
6. experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

**Eligibility** – This law requires employers with fewer than 500 employees to provide all full-time employees (regardless of how long the employee has been employed) with **80 hours of paid sick leave** at the employee's regular rate up to \$511 per day (\$5,110 total per employee) for qualified reasons 1-3 listed above or two-thirds of the employee's regular rate up to \$200 per day (\$2,000 total per employee) to care for the qualifying reasons 4-6 listed above. These 80 hours cannot be carried over to the following year like other paid leave provided by the employer.

**Part-time Employees** – If an employee works part-time or has an irregular schedule, their pay would be based on the average number of hours the employee worked for the previous six months. If they have worked less than six months, they would be paid on the average number of hours worked over a two-week period.

### *Provision Two – Emergency Family and Medical Leave Act*

This Act (separate from the Emergency Paid Sick Leave) amends and expands the Family Medical Leave Act (FMLA). Currently, FMLA covers those employers with 50 or more employees. This will now cover any employer with 500 or fewer employees. Again, this includes Christian Schools of any size if you have less than 500 employees. It also lowers the requirement of eligibility of employees to having worked at least 30 days before the leave is taken. This leave is job-protected. The Act does allow the Secretary of Labor to

exempt employers with fewer than 50 employees if the leave would jeopardize the viability of their business.

**Eligibility** – An employee that has been employed for at least 30 days before the first day of leave may take up to 12 weeks of job-protected leave to allow an employee, who is unable to work or telework, to care for the employee’s child, under 18 years of age, if the child’s school or place of care is closed or the childcare provider is unavailable due a public health emergency. This is the only qualifying reason for this paid leave. The **first 10 days** of this leave is unpaid. However, the employee may use their **80 hours** provided by the Emergency Paid Sick Leave Act (previously spoken about above). After the 10-day period, the employer must pay full-time employees at **two-thirds** the employee’s regular rate for the number of hours the employee would normally be scheduled. The Act limits the pay to \$200 per day and a total of \$10,000 per employee.

**Part-time Employees** – If an employee works part-time or has an irregular schedule, their pay would be based on the average number of hours the employee worked for the previous six months. Employees who have worked less than six months prior to the leave should be paid the average number of hours the employee would normally be scheduled to work.

**Job Restoration** – Employers with 25 or more employees will have the same obligation as under FMLA to return any employee who has taken the Emergency FMLA to be restored to the same or equivalent position.

### ***Tax Credits for Paid Sick and Paid Family and Medical Leave***

The Act provides a series of refundable tax credits for an employer who is required to provide either Emergency Paid Sick and Paid Family and Medical Leave. The tax credits can be used against the employer portion of the Social Security Taxes. Employers are entitled to a refundable tax credit equal to 100% of the qualified emergency sick leave and FMLA wages paid for each calendar quarter. The qualified sick leave and FMLA wages are capped based on the numbers shared previously in the article. There will be more guidance coming out on how this will take place. We recommend you work with your payroll provider regarding the tax credits.

ACSI will continue to follow as this new law unfolds, and provide updates on our COVID-19 Resource page at <https://community.acsi.org/coronavirusresources/home>