



INSURANCE

President Trump signed into law on March 18, 2020 the Families First Coronavirus Response Act requiring employers with 500 or fewer employees to provide emergency paid sick leave and family leave to employees dealing with the impact of COVID-19. Below is a high-level summary of these two components of the Act:

	Emergency Paid Sick Leave Act	Emergency Family and Medical Leave Expansion Act (EFMLEA)
What it Does	<p>Applicable employers will be required to provide full-time employees with 10 days (80 hours) of paid sick leave when the employee cannot work or telework for reasons related to COVID-19. Part-time employees are also entitled to this benefit based on the average hours worked over a 2-week period. Below are the allowable leave reasons:</p> <ul style="list-style-type: none"> - Employee is subject to a federal, state or local quarantine or isolation order related to COVID-19 - Employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19 - Employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis - Employee is caring for an individual subject to quarantine or isolation order, or who has been advised by a health care provider to self-quarantine. - Employee is caring for their own child whose school or place of care has closed due to COVID-19 concerns - Employee is 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. 	<p>Applicable employers will be required to provide up to 12 weeks of job-protected family leave for employees who have been employed for at least 30 days and are unable to work or telework due to a need for leave to care for their child if schools are closed or their daycares are unavailable resulting from COVID-19. The first 10 days are unpaid and thereafter the benefit must replace at least two-thirds of the employee’s wages up to a maximum of \$200 per day.</p> <p>Employers are also required to restore employees to their same or equivalent position, and if not available, have ongoing obligation for 1-year to contact impacted employee if such position becomes available (exception for employers with less than 25 employees).</p>
Who is Covered	Applies to employers with fewer than 500 employees	Applies to employers with fewer than 500 employees
Eligibility	All employees, regardless of length of employment are eligible for the leave.	This leave benefit covers employees who have been working for at least 30 calendar days.
Rate of Pay	Employers must pay employees their regular rate of pay if the employee is taking leave for a reason related to their own symptoms of, or exposure to, COVID-19. Employees who are taking leave to care for family members are only entitled to be paid at two-thirds of their regular rate.	A qualifying employee will not be eligible for pay from the employer for the first ten (10) days unless the employee has available accrued vacation, personal or sick leave which can be substituted for the otherwise unpaid time. An employer is not permitted to require the substitution of accrued paid leave which the employee may have for the 10 unpaid period. After



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	Daily and total maximum limits apply see “Appendix A” for details. Special calculation rules apply for part-time employees.	the 10 day period, the employee will be eligible for pay from the employer equal to two-thirds of the employee’s regular rate of pay for the remainder of the available leave up to a maximum of \$200 per day, or \$10,000 total. Special calculation rules apply to part-time employees.
Employer Notice	Employers are required to post model notice of rights which the Department of Labor will be issuing by March 25 th , 2020.	None specified yet at this time.
Tax Credits	Each quarter, employers subject to the requirement are entitled to a fully refundable tax credit equal to 100 percent of the qualified paid sick leave wages paid by the employer	Each quarter, employers subject to the requirement are entitled to a fully refundable tax credit equal to 100 percent of the qualified paid Family and Medical Leave Act (FMLA) wages paid by the employer.
Exemptions	<ul style="list-style-type: none"> Employers of employees who are healthcare providers or emergency responders may elect to exclude such employees from eligibility for paid leave. The Department of Labor is empowered to exempt small businesses with fewer than 50 employees under certain circumstances. 	<ul style="list-style-type: none"> Employers of employees who are healthcare providers or emergency responders may elect to exclude such employees from eligibility for paid leave. The Department of Labor is empowered to exempt small businesses with fewer than 50 employees under certain circumstances.
Effective Date	Goes into effect March 20, 2020 (based on guidance released on this date from the U.S. Treasury Department, Internal Revenue Service & U.S. Department of Labor) and will expire on December 31, 2020	Goes into effect March 20, 2020 (based on guidance released on this date from the U.S. Treasury Department, Internal Revenue Service & U.S. Department of Labor) and will expire on December 31, 2020
Enforcement	Eligible employers who violate the new paid sick leave law will be subject to penalties under the federal Fair Labor Standards Act.	The Department of Labor will enforce the new requirement to provide Public Health Emergency Leave under the FMLA Expansion Act.
Comments	For employers with existing leave policies, the paid sick leave allotment provided for under this act is in addition to whatever sick leave is already offered by employers.	As with other FMLA leave, Public Health Emergency Leave is job-protected leave. Employees have the right to return to their positions when their leave expires. However, that right to return is limited when covered employers with fewer than 25 employees must eliminate the position due to economic circumstances caused by the COVID-19 pandemic and there is no equivalent position available.



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Appendix A: Compensation under the new paid sick leave law

Under the new paid sick leave law, employers must pay employees their regular rate of pay if the employee is taking leave for a reason related to their own symptoms of, or exposure to, COVID-19. Employees who are taking leave to care for family members are only entitled to be paid at two-thirds of their regular rate. Daily and total maximum limits apply, per the chart below:

Reason for leave	Daily pay rate/cap	Total pay cap
Quarantine or isolation order	Regular rate of pay up to a cap of \$511	\$5,110
Advice from health care provider to self-quarantine		
Experiencing symptoms of COVID-19 and seeking a medical diagnosis		
Caring for an individual subject to quarantine or isolation order, or who has been advised by a health care provider to self-quarantine	Two-thirds regular rate of pay, up to a cap of \$200	\$2,000
Caring for own child whose school or place of care has closed, or whose care provider is closed or unavailable		
Experiencing other substantially similar condition specified by HHS		

Special calculation rules apply for part-time employees with variable work schedules.