

New Federal COVID-19 Law Offers Paid Sick and Family Leave

On Wednesday, March 18, 2020, President Trump signed into law the “Families First Coronavirus Response Act” (FFCRA). The law provides, among other things, paid leave for employees impacted in certain pre-defined ways by the COVID-19 pandemic. It goes into effect on April 2, 2020.

What companies are covered?

The new law covers companies with fewer than 500 employees. Self-employed individuals can also qualify for benefits.

What employees are covered?

Employees in any of the following categories are entitled to benefits under the new law:

1. an employee subject to a governmental quarantine or self-isolation order;
2. an employee who has been advised by a health care provider to self-quarantine;
3. an employee exhibiting symptoms of COVID-19 who is seeking medical diagnosis;
4. an employee caring for someone described by no. 1 or no. 2 above;
5. an employee caring for his or her child, if the child’s school or day care has been shut due to COVID-19 concerns; or
6. an employee who is experiencing a substantially similar condition, as specified by the Department of Health and Human Services.

The Nature of the Benefits

Full-time employees who qualify under nos. 1, 2 or 3 above are eligible for up to 100% of their regular salary as Federal Paid Sick Leave, with a daily cap of \$511/day for up to 10 days. Full-time employees who

qualify under nos. 4, 5, or 6 are eligible for up to 2/3 of their regular salaries, with a daily cap of \$200 for up to 10 days. Benefits for part-time employees are pro-rated.

These benefits are in addition to any paid sick time or PTO to which the employees are already entitled, and employers cannot force employees to use paid leave before availing themselves of FFCRA benefits. Also, employers cannot require employees to provide notice prior to taking leave under the new law.

Expansion of FMLA

The FFCRA also includes an expansion of the FMLA, offering workers up to 12 weeks of paid leave to care for a child under 18 whose school or day care has closed due to the COVID-19 situation.

After a 10-day waiting period (during which they may receive Federal Paid Sick Leave), the employee is entitled to 2/3 of his or her salary for this benefit, up to a cap of \$200 per day and a total cap of \$10,000.

Note, too, FMLA requirements have been relaxed here, so any employee working for a company of less than 500 employees for at least 30 days is eligible.

Employer-related Provisions

Employers must front these sick and family leave benefits, but will be provided refundable tax credits for 100% of the amount paid.

Employers must post a notice advising employees of their rights under the Act. The Secretary of Labor will create compliant notices by March 25.

This advisory is for information purposes only, and does not constitute legal advice. If you would like to discuss the impact of COVID-19 on you or your business, please contact Joe LaFerrera at (617) 350-6800, or email him at joe.laferrera@gesmer.com.



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