

FAMILIES FIRST CORONAVIRUS RESPONSE ACT (PL 116-127) (HR 6201)

Signed March 18, 2020

EMPLOYER ROAD MAP

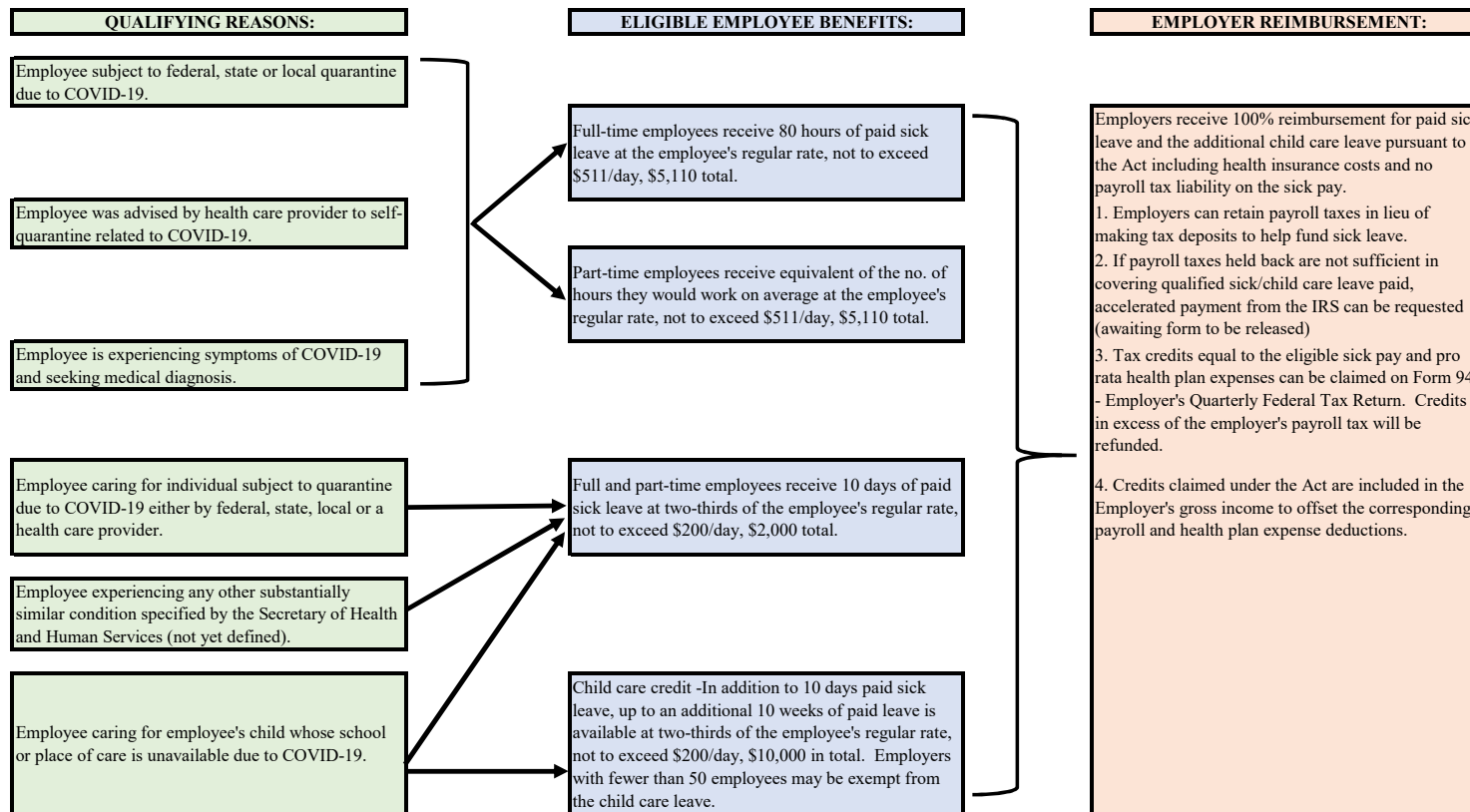
Disclaimer: This information summarizes the Families First Corona Response Act and information in the IRS New Release IR-2020-57 issued on March 20, 2020. Additional guidance issued or revised subsequent to March 20th is not reflected on this road map. Please consult with a qualified labor attorney with employee related questions. If you need a referral, please contact us for assistance.

Emergency Paid Sick Leave Act

Eligibility: All employees of employers with fewer than 500 employees, regardless of the length of their tenure with their employer, are eligible for paid sick leave under the Emergency Paid Sick Leave Act effective within 15 days of enactment (i.e. no later than April 2, 2020) through December 31, 2020.

Facts:

- Employers may not require eligible employees to first use other paid leave provided by the employer. Paid sick leave under the Act is in addition to any paid sick leave or PTO currently provided by the employer.
- Employers may require employees to follow reasonable notice procedures to continue receiving paid sick time but may not require employees to provide advance notice prior to the first day which the employee takes paid sick leave under the Act.
- Employers must post a notice that advises employees of their rights under the Act. Department of Labor will create notice by March 25th.



Example: If an eligible employer paid \$5,000 in sick leave and is otherwise required to deposit \$8,000 in payroll taxes, including taxes withheld from all its employees, the employer could use up to \$5,000 of the \$8,000 of taxes it was going to deposit for making qualified leave payments. The employer would only be required under the law to deposit the remaining \$3,000 on its next regular deposit date.

If an eligible employer paid \$10,000 in sick leave and was required to deposit \$8,000 in taxes, the employer could use the entire \$8,000 of taxes in order to make qualified leave payments and file a request for an accelerated credit for the remaining \$2,000.