

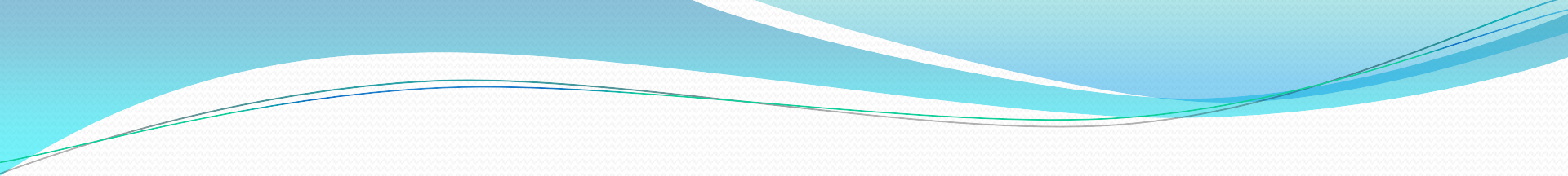
Families First Coronavirus Response Act

Signed March 18, 2020

Effective April 1, 2020

Non-enforcement until April 17, 2020

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Washington passes the Act
This Presentation
Agencies write the regulation

**This means much of the specifics and definitions have yet to
been written.**

FFCRA

Employers with < 500 employees at the time the leave is taken are now mandated to provide employees with two types of paid leave;

- Emergency Sick Leave
- Emergency Family Medical Leave

Employees must be unable to work or telework
Sunset of benefits on December 31, 2020

Leave must be for one of 6 reasons

1. The employee is subject to a federal/state/local quarantine or isolation order related to COVID-19.
 2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
 3. The employee is experiencing symptoms of COVID-19 and seeking medical diagnosis.
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4. The employee is caring for an individual who is subject to a federal/state/local quarantine order, or the individual has been advised to self-quarantine due to COVID-19 related concerns.
 5. The employee is caring for the employee's son or daughter, if the child's school (elementary or secondary) or child care facility has been closed or the child's care provider is unavailable due to COVID-19 precautions.
 6. The employee is experiencing any other substantially similar condition specified by Health and Human Services in consultation with the Department of the Treasury and the U.S. DOL.

How Long?

For reasons 1-4 and 6; Full-time employees are eligible for 80 hours of leave (10 days), and part-time or variable employees are eligible for the average number of hours of leave that the employee worked over the past 6 months.

For reason 5; Full-time employees are eligible for up to 12 weeks of leave (480 hours), and part-time or variable employees are eligible for the average number of hours of leave that the employee worked over the past 6 months.

How Much?

- For reasons 1-3 - Employees are paid at their regular rate, or minimum wage, up to \$511 per day and \$5,110 total over the two week period.
- For reasons 4 or 6 - Employees are paid at two-thirds their regular rate of pay, or minimum wage, up to \$200 per day and \$2,000 total over the two week period.
- For reason 5 - Employees are paid at two-thirds their regular rate of pay, or min wage, up to \$200 per day and \$12,000 total over the 12 week period. Employees must have been employed for more than 30 days.

Tax Credit!

- Employer will receive a payroll tax credit of the amount of wages paid under FFCRA.
- Plus payroll tax credit for employer's share of health insurance related to paid leave wages paid.
- Plus tax credit for employer's share of employment taxes related to paid leave wages paid.

Can reduce a future payroll tax deposit by the amount of the credit.

Can file for advance of the credit if it exceeds the tax due.

IRS FORM 7200 (Draft released 12/30/2020)

Emergency Family Medical Leave

- Employee may take up to 12 weeks of job-protected leave.
- Employers with less than 50 employees can file an election to opt out of reason 5 for greater than 2 weeks leave if the compliance will jeopardize the viability of the business. A form will be made available soon.
- Employers with fewer than 25 employees, employer is not required to restore the employee's position if;
 - The employee takes leave under the Act
 - The position held by the employee when the leave commenced does not exist due to economic conditions or changes in operating conditions that affect employment and are caused by the Public Health Emergency
 - The employer makes reasonable efforts to restore the employee to an equivalent position with equivalent pay, benefits, etc.
 - The employer makes a reasonable effort to contact the employee if an equivalent position becomes available for a period of one year commencing the earlier of (1) the date the qualifying need concludes or (2) the date that is 12 weeks after the date of which the employee's leave commences.

Coronavirus Aid, Relief, and Economic Security Act

Signed March 27, 2020

Delay of employer payroll tax deposit (sec. 2302)

- Employers may defer payment of the employer share of the Social Security (OASDI) tax, beginning after the effective date of the CARES Act through December 31, 2020. Deferred tax amounts would be paid over two years, in equal amounts due on December 31, 2021 and December 31, 2022.

Employee retention credit (effective March 12, 2020) (sec. 2301)

- A payroll tax credit equal to 50% of wages paid up to \$10,000 per calendar quarter, per employee.
 - Business is fully or partially suspended due to orders from a governmental authority.
 - Requires significant decline in revenue.
- Credit can be increased by employer's share of health costs related to wages.
- Does not include FFCRA wages and expires December 31, 2020.

Paycheck protection program /loan forgiveness (sec 1102/1106)

- Businesses with less than 500 employees are eligible
- Loans up to \$10,000,000
- Employers can go to their bank to request a SBA loan at an amount equal to 2.5X their past year's monthly gross wage average.
 - HCEs limited to \$100,000
- Loan becomes a grant so long as the employer can prove during a request for forgiveness process that will take place in June/July, that they spent loan proceeds on wages, employer paid insurance/retirement, mortgage, rent, and/or utilities.
- Non-forgiven amount will be payable over 10 years at a rate of <4%
- Encourages employers to rehire any employees who have already been laid off.

It appears that a business can only take advantage of 1 of the 3 above options.

Unemployment

Many states have enacted special rules. NOT Florida- yet.

Florida Statutes 443.131(3)(a)4

“If an individual is separated from work as a direct result of a natural disaster declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. ss. 5121 et seq., benefits subsequently paid to the individual based on wages paid by the employer before the separation may not be charged to the employment record of the employer.”

paymaster.com/covid19

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