



The FFCRA

Understanding “Families First”, aka
Coronavirus Emergency Bill

Getting through this, together

PRESENTED BY

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3/15/2020

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Session Overview

- Paid Sick Leave
- Paid Family Leave
- Unemployment Expansion
- Remote Work Tips
- Points of Confusion
- Q & A

This information should not be construed as legal advice.

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Families First Highlights

- Passed 3/18, effective 4/2; expires 12/31
- Businesses with less than 500 employees
- Tax Credits (paid leaves & health insurance)
- Paid Sick, for qualifying conditions
- Paid Leave, for qualifying conditions
- Emergency Unemployment
- Healthcare; diagnostic testing coverage

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Tax Credit - Businesses would retain and access funds that they would otherwise pay to the IRS in payroll taxes.

- If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form that will be released this week.
- These credits are available to all employers affected by the Act (<500 employees) for Act-mandated leave provided between April 2 and December 31, 2020.

Paid Sick Leave

- No length of service requirement
- Amount of Leave:
 - Full-time: up to 80 hours of leave
 - Part-time: average number of hours typically worked in a two-week period.
- Unused leave expires 12/31/2020
- Can't require employee to find a replacement

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Paid Sick Leave

- 100% paid* for employee's who can't work because they:
 1. are subject to Federal, State, or local quarantine or isolation order related to COVID-19;
 2. have been advised by a health care provider to self-quarantine related to COVID-19;
 3. are experiencing COVID-19 symptoms and seeking a medical diagnosis;

*up to \$511 per day and \$5,110 in the aggregate (over a 2-week period)

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Paid Sick Leave

- 2/3 paid* for employee's who can't work because they are:
 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;
 5. caring for a child if the child's school or place of care is closed or the child's care provider is unavailable reasons related to COVID-19; or
 6. experiencing any other substantially similar condition specified by the Federal Government.

* up to \$200 per day and \$2,000 in the aggregate (over a 2-week period).

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Paid Family Leave

- **Eligibility** – Employees who have worked for 30 days prior to the leave are eligible.
- **Reason for Emergency PFL** – to care for the employee’s minor child if the child’s school or place of care is closed or the childcare provider is unavailable for reasons related to COVID-19.
- **Length of Emergency PFL** – 12 weeks of job-protected leave.
- **Pay** – The first 10 days of leave may be unpaid; an employee may **elect** to use accrued paid leave (like vacation or sick leave). Then employees are paid 2/3rds regular rate for the number of hours the employee would otherwise be normally scheduled, up to \$200 per day and \$10,000 in the aggregate per employee.

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Unemployment Expansion

In anticipation of some of the FFCRA requirements for UI expansion, Governor Northam has:

- Waived seeking work requirements;
- Waiving the waiting week; and
- Anticipates not charging employers due to a COVID-19 workplace illness or isolation/quarantine orders.

VEC indicates:

- If filing because of a reduction in hours, gross earnings must be less than your weekly benefit amount to be eligible.
- Currently the max weekly benefit amount in VA is \$378.
- Employees file online at <http://www.vec.virginia.gov/unemployed>

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Points of Confusion (1)

- Fewer than 50 employees, Exemption?
- Intermittent Use of Leave(s)?
- Group Health affect (coverage & credits)?
- Self-Employed?

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Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern. Dept of Labor to advise on how to apply.

Self-Employment Tax Credits

Self-Employment Sick Leave Tax Credit. A similar refundable tax credit would also be available for certain self-employed individuals under the FFCRA, to be applied against such individuals' self-employment tax. With certain restrictions on the number of days an individual may claim the credit, the self-employment *sick leave* tax credit would cover 100 percent of a self-employed individual's "qualified sick leave equivalent" (if using the *sick leave* program to care *for the individual*), or 67 percent of the qualified sick leave equivalent (if using the sick leave program to care for *a child or family member*). The "qualified sick leave equivalent" would be the lesser of (a) the average daily self-employment income for the individual for the taxable year, per day, or (b) (i) \$511 per day paid to an employee while caring for *the employee*, or (ii) \$200 per day while caring for *a child or family member*. The taxpayer can take advantage of the self-employment tax credit for an aggregate of 10 days.

Self-Employment Emergency Family Leave Tax Credit. Self-employed individuals could also be eligible for a *family leave* tax credit of the lesser of (a) the average daily self-

employment income for the individual for the taxable year, per day, or (b) \$200. This family leave tax credit would be available for up to 50 days.

The tax credit will be available for employers on wages paid through Dec. 31, 2020, and state and local government employers are not eligible for the tax credits mentioned.

The U.S. Treasury Department is expected to issue regulations to help guide employers on how to use the tax credits following the enactment of the FFCRA.

Points of Confusion (2)

- Retroactive to before 4/2?
- What about those already utilizing FMLA?
– *Not intended to expand length of leave.*
- Healthcare Providers Exemption?
- Emergency Responders Exemption?

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REMOTE WORK TIPS

For Leaders

- **Structure & Consistency**
 - Leverage Tech!
 - Productive Workspaces
 - Minimize Distractions
 - Set Clear Expectations
- **Connectivity**
 - Communicate, Often!
 - Leverage Tech; *Solve Isolation*
- **TRUST**
- **Security Considerations**
 - Policy, Training, Tech Support
- **Advance Planning**
 - what if you have to convert to remote quickly?

For Employees

- Get Dressed
- Follow a Routine/Schedule
- Work from a Desk
- Don't Go "Dark"
 - even when slow; overcommunicate
- Stay Healthy
 - get up, walk around
- Structure & Boundaries
 - avoid burnout
- Privilege, not a right
 - Don't take it for granted.

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QUESTIONS?

Thank you!

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