

# COVID-19 Guidance Families First Coronavirus Response Act (FFCRA)



Employee Expanded Family and Medical Leave Rights  
Summary

Dear KSDT Clients, Friends and Colleagues;

First and foremost, we hope that you and your family are safe and healthy!

It goes without saying that we are in unprecedented times. Here at KSDT CPA, we are doing our part to “Flatten the Curve” and reduce the spread of COVID-19 (coronavirus).

Over the years, our firm has invested heavily in technology enabling us to continue to serve our clients uninterrupted and at full capacity, while putting our people first.

Changes and updates are happening at record pace and the environment is a fluid process. We are processing the information as it becomes available and would like to help your business understand all of the changes such as “The Families First Coronavirus Response Act” (FFRCA), which goes into effect April 1, 2020, covered in this guidebook.

KSDT is here to stand with you as we get through this.

Please do not hesitate to reach out for guidance.

Our thoughts and prayers for everyone’s continued health and safety



-Jeffrey Taraboulos, CPA, CFF, CFE, PFS  
Managing Partner, KSDT CPA



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The following summary is intended to provide guidance to those businesses affected by COVID-19 and is not intended to provide legal advice. The details enclosed are based upon the most current information at the time of this publication but are subject to change.

Sources:

Department of Labor

<https://www.dol.gov/agencies/whd/pandemic>



## Overview

### Families First Coronavirus Response Act (FFCRA)

**Family and Medical Leave Act (FMLA) expanded to provide relief to those affected by COVID-19 (coronavirus)**

“The Families First Coronavirus Response Act” (FFRCA), which goes into effect April 2, 2020 and expires December 31, 2020, responds to the coronavirus outbreak by providing additional assistance in the areas of COVID-19 testing, sick leave, food assistance, and more. The provisions do not apply to leave taken prior to April 1, 2020.

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# The FFCRA at a Glance:

In summary, the Act:

- Requires private insurance plans to provide **free COVID-19 testing**.
- Requires employers to **provide emergency paid sick leave** to workers affected by COVID-19 **and expands family and medical leave**.  
(No cost: Affected employers can get a corresponding tax credit)
- Offers **increased funding** for state unemployment insurance, food stamps and nutritional programs.

The Act focuses on three areas for employers:



## Emergency Paid Sick Leave Act



## Emergency Family and Medical Leave Act Expansion



## Tax Credits for Paid Sick and Paid Family and Medical Leave

“WE ARE IN UNCHARTED WATERS.”

CHANGE IS THE NEW CONSTANT.

-KEVIN FINE, DIRECTOR OF KSDT HEALTHCARE ADVISORY



# Who is Affected?



## Employers

Most private employers with under 500 employees in the U.S.

- based on individual employees, rather than full time equivalents (FTEs)
- day laborers supplied by temporary agencies are included
- independent contractors are not included

**Exemptions are available for:**

- health-care providers
- emergency responders
- businesses with fewer than 50 employees
  - if the business would be otherwise be jeopardized
  - may only be exempted from the requirements related to Expanded FMLA for Child Care
- self-employed individuals



**How are part-time & variable work schedule employees treated?**

**Part time employees** are paid based upon the average hours worked over a two week period.

**Variable Work Schedule** employees are paid based on the average over six month period (including any leave taken).

- Variable Work Schedule employees with less than six month history are based upon reasonable expectations at the time of hire.



## Employees

Employees who are unable to work (telework) due to the following:

- **personally experiencing:**
  - quarantine or advice from a health care professional to self-quarantine related to COVID-19
  - symptoms and seeking diagnosis or other similar conditions as specified by HHS/DOL/Treasury
- **caring for:**
  - an individual subject to quarantine or advised to self-quarantine by a health care professional, or
  - a minor son or daughter if the school/child care closed due to COVID-19



**NOTE:**

Employees who take leave to avoid exposure to COVID-19 or due to other illnesses such as the regular flu are not covered by this Act.

# The FFCRA in More Detail

## Emergency Paid Sick Leave Act

- **All employees are covered no matter length of employment (some exclusions may apply)**
- Full time employees receive 80 hours of paid leave, pro-rated for part-time workers
  - Capped at \$511 per day if personally quarantined, self-quarantined or experiencing symptoms and seeking diagnosis.
  - 2/3 pay, capped at \$200 per day for other qualified reasons.
- Caring for a child entitles an employee for sick pay if his or her school is closed or childcare is unavailable due to COVID-19
- This is in addition to any leave the employee was already entitled to and must be paid before employee uses other leave
- Equivalent benefits are provided for self-employed individuals
- Amounts paid are not treated as compensation for purposes of Old-Age, Survivors, and Disability Insurance, which I normally imposed at a rate of 6.2% each on the employer and the employee



## Family and Medical Leave Act Expansion

- **Up to 12 weeks of job protected leave**
  - Must have been employed for 30 calendar days
  - **ONLY** if unable to work or telework to care for a child if the school or child care provider is closed due to COVID-19
  - 10 days can be unpaid, or employees may use other paid leave (including paid leave provided by this Act)
- **10 weeks of paid leave**
  - Paid at two-thirds (2/3) the Regular Rate of Pay
  - Capped at \$200 per day, \$10,000 for 2020



# The FFCRA in More Detail

## Paid Family Leave and Paid Sick Leave Credits

### Who gets a Credit?

Employers who pay benefits under the Emergency Family and Medical Leave Act or Emergency Paid Sick Leave Act and self-employed individuals.



### What are the Credits?

- A dollar for dollar reduction of federal employment taxes for qualified sick/family leave wages paid.
  - subject to dollar limits based on type of leave
  - increased by specific health plan expenses (e.g., employer-paid health plan premiums relate qualified sick leave wages)
  - increased by Medicare Tax paid on amounts paid pursuant to the Act

### How are the Credits Claimed?

Businesses can reduce payroll tax deposits, including those for withheld income taxes, and both the employer and employee shares of Social Security and Medicare taxes.

The IRS will provide a procedure to get an accelerated payment if the credit exceeds the total deposits otherwise required.

Self-employed individuals can reduce their quarterly estimate tax payments for equivalent child-care leave and sick leave credit amounts.

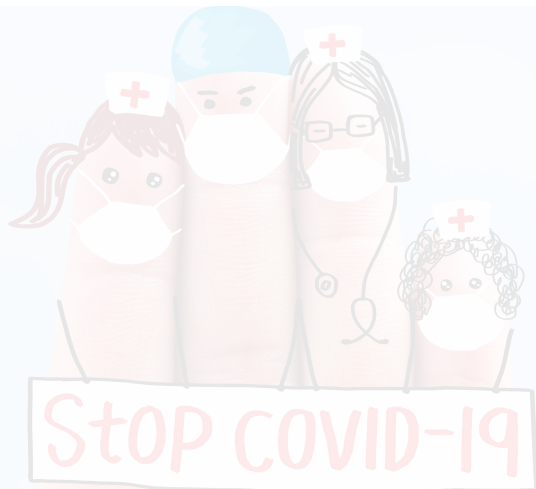
## Additional Info:

# WHEN DOES IT BEGIN?

EFFECTIVE  
4/1/2020

# WHEN DOES IT END?

SUNSETS  
12/31/2020



VISIT DEPT. OF LABOR  
FOR MORE  
INFORMATION:

<https://www.dol.gov/agencies/whd/pandemic>

## EMPLOYEE RIGHTS

PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE  
UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

### PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees:

Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- ⅔ for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 10 weeks more of paid sick leave and expanded family and medical leave paid at ⅓ for qualifying reason #5 below for up to \$200 daily and \$12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

### ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

### QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19

An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to telework, because the employee:

- |   |   |
|---|---|
| 1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;              | 5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or |
| 2. has been advised by a health care provider to self-quarantine related to COVID-19;                       | 6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services.                           |
| 3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;                                    |   |
| 4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); |   |

### ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.



WAGE AND HOUR DIVISION  
UNITED STATES DEPARTMENT OF LABOR

For additional information  
or to file a complaint:  
**1-866-487-9243**  
TTY: 1-877-889-5627  
[dol.gov/agencies/whd](https://www.dol.gov/agencies/whd)



WH1422 REV 03/20



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-Our KSDT Partners and their teams are standing by



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