

WHAT'S IN THE CORONAVIRUS AID BILL?

On March 18, 2020, the U.S. Senate passed the House version of the “Families First Coronavirus Response Act.” The President signed the legislation. The law expands the coverage of the Family Medical Leave Act.

The following is a summary of legislation’s content:

- **Emergency Sick Leave.** The legislation requires governments and private businesses with fewer than **500 employees** to provide up to two weeks of **paid sick leave** for employees for the following uses:
 - To self-isolate because the employee is diagnosed with coronavirus.
 - To obtain a medical diagnosis upon experiencing symptoms of coronavirus.
 - To comply with recommendation or order by a public official or health care provider because the physical presence of the employee would jeopardize the health of others because of exposure to coronavirus or exhibition of symptoms.
 - To care for or assist a family member who is self-isolating because of diagnosis, experiencing symptoms, or who is subject to an order that the presence of that person in the community would jeopardize the health of others due to exposure to the coronavirus or symptoms.
 - To care for the child of an employee if school or place of care is closed due to coronavirus.
- **Who Is Covered?** Employees who have been employed for at least **30 calendar days** by the employer.
 - **Full-Time Employees.** Full-time employees are entitled to 80 hours of paid sick time.
 - **Part-Time Employees.** Part-time employees are entitled to the number of hours that such employee works on average over a 2-week period.
- **Other Sick Leave.** This paid sick leave is in addition to any paid sick leave already offered by an employer. Employees may use accrued personal or sick leave during the first 10 day.
- **Payment Caps.** Paid-sick-leave benefits will be immediately available when the law takes effect on April 2, 2020 and are capped at \$511 a day for a worker's own care and \$200 a day when the employee is caring for someone else. This benefit will expire at the end of 2020

- **What Happens When The 2-Week Paid Sick Leave Period Expires?**
 - Upon expiration for the initial 2-week paid leave period, eligible employees may take up to another 10 weeks off at two-thirds of their pay.
- **Exemptions.**
 - The Department of Labor may exempt small businesses with less than 50 employees in certain circumstances, e.g., extreme financial hardship.
 - Employers of employees who are healthcare providers or emergency responders may elect to exclude such employees from the paid leave.
- **Business Tax Credits.** Employers are provided as credit against the tax imposed under IRC 2111(a) an amount equal to 100% of the qualified sick leave wages paid by such employer.
 - The credit is subject to caps on the qualified sick leave wages (ranging from \$200 to \$511 per day) and aggregate number of days to be taken into account.
 - The credit shall not exceed the tax imposed.
- **Self Employed.** Self-employed individuals are allowed a tax credit against the tax imposed by IRC Subtitle A in an amount equal to 100% of the qualified family leave equivalent amount with respect to the individual.
- **Effective Date.** The new law goes into effect on April 2, 2020 and expires on December 31, 2020.

If you have questions about what to do with your business or company during the COVID-19 pandemic, call Capell & Howard at 334-241-8000 and ask for one of our employment lawyers: Christopher Weller, Barbara Wells, Brooke Lawson, Carla Gilmore, Mai Lan Isler, Faith Twiggs, or Blake Brookshire.

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