

SENATE PASSES FAMILIES FIRST CORONAVIRUS RESPONSE ACT MANDATING PAID LEAVE FOR EMPLOYEES

On March 18, 2020, the Families First Coronavirus Response Act was approved by the U.S. Senate and passed into law. The bill will provide free screening, paid leave and enhanced unemployment insurance benefits for people affected by COVID-19. The provisions of the Act are scheduled to take effect 15 days after their enactment.

The Families First Coronavirus Response Act (H.R. 6201) will provide:

- Paid family leave,
- Paid sick leave, and
- Enhanced unemployment insurance.

Paid Family Leave

Employees who cannot work (or telework) in order to care for a son or daughter as a result of a school or childcare service closure due to a public health emergency are entitled to up to two-thirds of their wages for up to 12 weeks. This represents a limitation of the qualifying events that was circulated by the House of Representatives earlier this week.

Any worker who has been on the payroll for at least 30 calendar days will be eligible for paid family leave benefits. The first 10 days of qualified leave may be unpaid, but employees may substitute paid sick time or vacation pay during that initial time period. Thereafter, benefits are paid but are capped at \$200 a day (or \$10,000 total) and expire at the end of the year.

Paid Sick Leave

Employers must provide up to two weeks (a maximum of 80 hours) of paid sick leave benefits for any employee who cannot work (or telework) and who:

- Is subject to a Federal, State or local quarantine or self-isolation related to COVID-19;
- Has been advised by a health care provider to self-quarantine related to COVID-19 concerns;
- Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- Is caring for a relative who is in quarantine or isolation; or
- Is caring for a son or daughter as a result of the closure of the child's school or childcare service due to a public health emergency.



Different levels of compensation are provided, depending on the reason for the sick leave. If the employee is staying at home due to their own health concerns, the employee shall receive sick pay equal to his or her regular rate of pay, up to \$511 per day, or \$5,100 in aggregate. For employees who are staying home to care for someone else, the employee will receive two-thirds of their regular rate of pay, up to \$200 per day, or \$2,000 in aggregate. This benefit will also expire at the end of 2020.

Large and Small Business Exceptions

Private businesses with more than 500 employees are not covered by the bill.

Covered employers that are required to offer emergency FMLA or paid sick leave will be eligible for refundable tax credits. Employers with fewer than 50 workers can apply for an exemption from providing paid family and medical leave and paid sick leave if it would jeopardize the viability of the business.

Within the next week, the Secretary of Labor will make available a notice regarding these new employee leave policies which employers must post and make available to their employees.

All employers should review their paid leave and sick day policies and adjust them as necessary in order to comply with the Families First Coronavirus Response Act.

If you need assistance in this matter or have any questions, please feel free to reach out to your primary attorney contact at Momkus LLC to schedule a time to discuss the matter.