

Families First Coronavirus Response Act, H.R. 6201

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Summary of Key Provisions “Families First Coronavirus Response Act” For A Business With Less Than 500 Employees

1

Emergency Family and Medical Leave Expansion Act

Significantly expands the numbers of workers who have access to job protected leave and requires paid wages

2

Payroll Credit for Required Paid Family and Medical Leave

Refundable tax credit, subject to dollar caps, against employer portion of Social Security taxes

3

Emergency Paid Leave Act

Requires employer to provide employee two (2) weeks paid sick leave. Rate of pay varies from full pay to two-thirds of full pay

4

Payroll Credit for Required Paid Sick Leave

Refundable tax credit equal to the sick leave pay. Dollar limits to daily sick leave pay credit

This Bill is awaiting Senate approval and may be significantly modified during that process

Key Provisions For A Business With Less Than 500 Employees

1 Emergency Family and Medical Leave Expansion Act

- Employees on the job for at least 30 days have the right to take up to 12 weeks of job protected leave for coronavirus related Issues (e.g., illness, quarantine, care for at risk family member ill or under quarantine, care for child of employee if child's school / place of care has been closed).
- After two (2) weeks leave (may use paid sick time during initial two (2) weeks) employee must be paid no less than 2/3's of their regular pay for the remaining 12 weeks of leave.
- FMLA revisions only apply to coronavirus related issues.

2 Payroll Credit for Required Paid Family and Medical Leave

- Tax credit for wages paid against the **employer** portion of Social Security taxes during the calendar quarter.
- Employers who pay qualified family leave wages will receive a social security tax credit equal to 100% of the wages paid, subject to daily and quarterly dollar caps.
- Tax credits for coronavirus related FMLA leave wages paid are capped for each employee at \$200 / day and \$10,000 for all calendar quarters. If the credit exceeds the employer's total portion of social security taxes, the excess credit is refundable to the employer.

Key Provisions For A Business With Less Than 500 Employees

3 Emergency Paid Leave Act

- Employers must provide full time employees two (2) weeks (80 hrs.) and part time employees “typical hours worked during a two (2) week period ” of paid sick leave, paid at their regular rate. Pay is required when the employee is required to quarantine, seek a diagnosis, or preventative care as a result of the coronavirus.
- In addition, employees required to care for a family member under similar coronavirus related issues or a child whose school has closed or care provider is unavailable must be paid two-thirds (2/3) of that employees regular rate.

4 Payroll Credit for Required Paid Sick Leave

- Employers will be entitled to a refundable tax credit against the **employer** portion of Social Security taxes equal to 100% of qualified paid sick leave wages each calendar quarter, subject to daily and quarterly dollar caps.
- When calculating the tax credit for an **employee virus related issue** employee wages are capped at \$511 a day for all calendar quarters.
- If the employee is caring for a **child / family member** the wages taken into account are capped at \$200 a day.

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