Assistance and Protections for UBC Members in the *Families First Coronavirus Response Act* (*FFCRA*) and the *CARES Act*

Recovery Act Checks

The *CARES Act* provides economic recovery checks of $1,200 for most adults with up to $75,000 in adjusted gross income (or AGI of $112,500 for heads of household and $150,000 for married couples filing jointly). There is an additional $500 for each child.

- The check amount is reduced by $5 for each $100 in income that taxpayers have above these thresholds.
- For people with incomes above $99,000 (or $146,500 for heads of household with one child, and $198,000 for joint filers with no children), the rebate is phased out entirely.
- The recovery check amount is determined based on the taxpayer's 2019 income tax return but is advanced to taxpayers based on their 2018 tax return if the 2019 return has not yet been filed.
- If an eligible individual's 2020 income is higher than the 2018 or 2019 income used to determine the rebate payment, the eligible individual will *not* be required to pay back any excess rebate.
- However, if the eligible individual's 2020 income is lower than the 2018 or 2019 income used to determine the rebate payment such that the individual should have received a larger rebate, the eligible individual will be able to claim an additional credit generally equal to the difference of what was refunded and any additional eligible amount when they file their 2020 income tax return.
- People must have a work-eligible Social Security number and not be a dependent of another taxpayer to be eligible.
- Those with no income or who receive income solely through non-taxable, means-tested benefit programs are also eligible and Social Security recipients will automatically receive recovery checks.

Additional information about the CARES Act economic recovery checks is available here.

Enhanced Unemployment

For up to four months, the *CARES Act* provides an additional $600 per week benefit for people receiving unemployment insurance (UI) or the temporary pandemic unemployment assistance that is in addition to the weekly unemployment benefit a worker receives from their state.

- Through December 31, 2020 the law provides an additional 13 weeks of unemployment benefits for people who are still unemployed after exhausting their state benefits. This means workers may have a total of 39 weeks of unemployment benefits.
- The *CARES Act* also gives states federal funds to pay the cost of the first week of unemployment benefits through December 31, 2020 for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits.
- The law expands eligibility for UI benefits to individuals who currently may not receive traditional UI, including workers with limited work histories, the self-employed individuals, as well as independent contractors and "gig" workers.

- The UI benefits provide under the *CARES Act* would be available to workers who are unemployed due to a wide variety of effects of the coronavirus, including: their own illness, illness of a family member, the necessity to quarantine, job loss because of the virus, and staying home to take care of a child whose school or child care is closed because of the virus.
- The expanded UI benefit explicitly excludes those who can telework for pay, or who are already receiving paid sick leave or other paid leave benefits and remain employed.
- Note that states have discretion as to whether then participate in the expanded UI regime created by the *CARES Act*.
- Your state unemployment insurance office will also be the source for questions about issues such as:
  - The maximum payout per week.
  - When the extra $600 UI payment take effect.
  - If the state waived the one-week waiting period for UI benefits.
  - If your state allows short-time compensation arrangements.

For more information on the enhancements the CARES Act made to UI, go here.

FFCRA Paid Sick Leave and Extended Family Medical Leave

The FFCRA included the "Emergency Paid Sick Leave Act" (EPSLA) and the "Emergency Family and Medical Leave Expansion Act" (EFMLEA), both of which were amended by the *CARES Act.* These measures provide expanded paid sick leave and expanded leave under Title I of the Family and Medical Leave Act (FMLA) (respectively) in response to the coronavirus pandemic. These leave requirements under the EPSLA and EFMLEA are described immediately below, followed by a description of additional relevant clarifications provided in the U.S. Department of Labor's (DOL) temporary rule published on April 6, 2020.

These leave provisions do not apply to you if you have been laid off.

EPSLA

- The EPSLA generally require employers to provide paid sick leave to employees who are unable to work for any one of six reasons related to the coronavirus. These grounds are that the employee:
  - Is subject to a federal, state, or local quarantine or isolation order related to coronavirus;
  - Has been advised by a health care provider to self-quarantine due to concerns related to coronavirus;
  - Is experiencing symptoms of coronavirus and is seeking a medical diagnosis;
  - Is caring for an individual who is subject to an order as described in the first bullet above, or who has been advised as described in the second bullet above;
  - Is caring for his or her son or daughter whose school or place of care has been closed or whose child care provider is unavailable due to coronavirus related reasons; or

    - Is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor (Secretary).

- Private employers with fewer than 500 employees, as well as public agencies with one or more employees, must comply with the EPSLA.
- The EPSLA gives the Secretary the authority to exempt certain employers with fewer than 50 employees from providing paid sick leave to an employee who is unable to work because the employee is caring for his or her son or daughter whose school or place of care has been closed or whose child care provider is unavailable due to coronavirus-related reasons. DOL has allowed employers with less than 50 workers to self-certify they are exempt from granting such leave.
- The EPSLA applies to an employee of a covered employer regardless of how long the employee has worked for the employer, except that employers may exclude employees who are health care providers or emergency responders from taking paid sick leave.
- The EPSLA generally entitles full-time covered employees to up to 80 hours of paid sick leave, and generally entitles part-time employees to up to the number of hours that they work on average over a two-week period.
- The EPSLA provides for paid sick leave at the greater of the employee's regular rate of pay or the applicable minimum wage (federal, state, or local), up to $511 per day and $5,110 in the aggregate over the entire paid sick leave period.
- An employee who takes paid sick leave for a qualifying reason under the EPSLA that relates to caring for someone other than themselves (such as a child whose school is closed) is entitled to be paid two-thirds of that amount, up to $200 per day and $2,000 in the aggregate over the entire two-week period.
- An employer may not require an employee to use other paid leave provided by the employer before the employee uses the EPSLA paid sick leave, nor may an employer condition EPSLA sick leave on the employee searching for or finding a replacement employee to cover the hours during which the employee is using paid sick leave.
- The EPSLA also prohibits employers from discharging, disciplining, or in any other manner discriminating against an employee who takes paid sick leave under the EPSLA, files any complaint under or relating to the EPSLA, institutes any proceeding under or relating to the EPSLA, or testifies in any such proceeding
- The EPSLA also permits, but does not require, employers who are signatories to multiemployer collective bargaining agreements to fulfill their obligations under the EPSLA by making contributions to a multiemployer fund, plan, or program, subject to certain requirements.

EFMLEA

- The EFMLEA requires employers to provide expanded paid family and medical leave to eligible employees who are unable to work because the employee is caring for a son or daughter whose school or place of care is closed or whose child care provider is unavailable due to the coronavirus pandemic.
- Private employers with fewer than 500 employees must comply with the EFMLEA, although the law has provided the Secretary with the authority to exempt employers with

fewer than 50 employees from EFMLEA's requirements when compliance would "jeopardize the viability of the business as a going concern."

- The EFMLEA applies to employees of covered employers if such employees have been employed by the employer for at least 30 calendar days.
    - This includes employees who were laid off or otherwise terminated on or after March 1, 2020, had worked for the employer for at least 30 of the prior 60 calendar days, and were subsequently rehired or otherwise reemployed by the same employer.
- An employee is entitled to take up to twelve weeks of leave for the purpose described in the EFMLEA.
    - The first two weeks (usually ten workdays) of this leave are unpaid, although an employee may substitute paid sick leave under the EPSLA or paid leave under the employer's preexisting policies for these two weeks of unpaid leave.
    - Unlike normal FMLA leave, leave taken pursuant to the EFMLEA follow the two unpaid weeks, must be paid for up to 10 weeks.
    - Specifically, after the first two weeks of leave, expanded family and medical leave must be paid at two-thirds the employee's regular rate of pay.
- The total EFMLEA payment per employee for this ten-week period is capped at $200 per day and $10,000 in the aggregate, for a total of no more than $12,000 when combined with two weeks of paid leave taken under the EPSLA.
- Like the EPSLA, the EFMLEA permits, but does not require, employers who are signatories to multiemployer collective bargaining agreements to fulfill their obligations under the EFMLEA by making contributions to a multiemployer fund, plan, or program, subject to certain requirements.

The DOL's April 6th temporary rule implements each of the requirements of the EPSLA and the EFMLEA and adds important details and clarifications regarding these provisions of the FFCRA.

For more information on the FFCRA paid leave and expanded family leave provisions as interpreted by the DOL, go here.

Federal Tax Filing and Payment Extensions

The *CARES Act* extends both the Federal income tax *filing* date and *payment* date from April 15, 2020 to July 15, 2020.

- Tax payments due on April 15, 2020 can be deferred to July 15, 2020, without penalties and interest, regardless of the amount owed.
- This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.
- Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief.
- Individual taxpayers who need additional time to file beyond the July 15 deadline, can request a filing extension by filing Form 4868.

Additional information on the delay of federal tax filing and payment deadlines is available here, and a list of FAQs can be found here.

Additional information on what states are delaying state tax filing and/or payment deadlines is available here.

Retirement Plan Changes

The *CARES Act* allows individuals who have experienced adverse financial consequences as a result of the coronavirus pandemic to make withdrawals of up to $100,000 from their retirement funds without having to pay the 10% early withdrawal penalty.

- The withdrawal must be made because of adverse financial consequences experienced as a result of the individual (or his or her spouse or dependent) contracting coronavirus, or because of related factors — such as the coronavirus forcing the individual to be quarantined, the pandemic causing the individual to be furloughed or laid off, or because he or she can't work due to lack of child care or closed or reduced hours of a business the individual owns or operates.
- Income attributable to such a withdrawal would be subject to tax over three years, and individuals could recontribute funds to their retirement plans within three years of the withdrawal without regard to that year's cap on contributions.

The *CARES Act* also allows individuals to make loans against certain retirement plans if they have experienced adverse financial consequences from the pandemic.

- Note that when loans are made against retirement funds, the retirement funds themselves remain invested and can benefit from market growth.

The *CARES Act* waives required minimum distribution rules for certain defined contribution plans and IRAs for calendar year 2020.

- Under current law, once an individual reaches a certain age, he or she must make a minimum withdrawal (i.e., a distribution) from his or her retirement account each year.

For more information on the changes the CARES Act made to retirement plans, go here.

Short-Time Compensation Payments

Under the *CARES Act*, the federal government would pay 100% of a state's Short Time Compensation (STC) benefits, for up to 26 weeks of benefits for states that already have, or that establish, permanent (STC) programs in 2020.

- STC programs, are a variation of unemployment insurance meant to prevent layoffs. Instead of laying off workers during an economic downturn, STC programs let employers cut back the number of hours worked and spread those hours among the entire workforce. Workers whose hours are cut get a pro-rated UI benefit to make them whole.
- Not all states have STC programs. For states that establish temporary STC benefit programs, the CARES Act provides that the federal government will pay up to 50% of the state's benefit costs.

- Federal funding for both permanent and temporary programs would end December 31, 2020, and individuals employed on a seasonal, temporary or intermittent basis would not be eligible for federal funding under state STC programs.
- The CARES Act includes $100 million for grants to help states establish or improve existing STC programs, and to administer the programs.

For more information on the STC provisions of the CARES Act, go here.

REAL ID Act Extension

The CARES Act delays from October 1, 2020 until October 1, 2021 the deadline for compliance with the REAL ID Act mandate that, for federal purposes (including federal personnel surety programs, the boarding of an airplane, and access to federal facilities), individuals have a REAL ID Act-compliant driver's license**.**

For more information on the CARES Act delay of the REAL ID Act, go here.

Pay for Federal Contractor Employees

The *CARES Act* allows the federal government to modify federal contracts to enable contractors to pay their employees who cannot perform their job functions because their facility has been closed or other restrictions, if their job functions cannot be performed remotely during the coronavirus pandemic. This authority terminates on September 30, 2020.

For more information on the federal contractor pay provisions of the CARES Act, go here.

Tenant Eviction Protections

The *CARES Act* prohibits landlords from requiring a tenant to vacate a dwelling or from commencing eviction procedures for nonpayment of rent, for 120 days after March 27, 2020. The provision only applies to properties where the landlord's mortgage is insured, guaranteed, supplemented, or protected by federal agencies or programs.

- To allow landlords to survive such forbearance to tenants, the *CARES Act* authorizes an entity with a mortgage for a multifamily dwelling property that is experiencing financial hardship to request up to 90 days forbearance on payments for a federally backed multifamily (five or more dwelling units) mortgage.
- A borrower receiving forbearance on a multifamily mortgage is barred from evicting any tenants during the forbearance period.
- These authorities will expire on December 31, 2020.

For more information on the tenant relief in the CARES Act, go here.

Mortgage Relief

The *CARES Act* prohibits mortgage lenders from foreclosing on any federally-backed mortgage for a 60-day period following March 18, 2020.

- This covers mortgages insured or guaranteed by HUD, Fannie Mae, Freddie Mac, the Veterans Affairs Department, and the Agriculture Department.
- The law also authorizes borrowers experiencing hardship as a result of the coronavirus pandemic to request up to 180 days forbearance on their mortgage payments.
- If needed, an additional forbearance period of up to 6 months may be requested by the borrower and must be approved by the mortgagee.

For more information on the mortgage relief in the CARES Act, go here and here.

Consumer Credit Relief

The *CARES Act* prohibits banks, lenders, and other entities that provide information to credit reporting agencies from treating a deferment, partial payment, or a credit forbearance requested by a consumer as a result of the coronavirus pandemic as negative credit information.

- This provision would only apply for consumers in good standing who fulfill all terms and requirements of a forbearance or modified payment agreement.
- The prohibition will remain in place until 120 days following the end of the declared COVID-19 national emergency.

Additional information on the consumer credit relief provisions of the CARES Act is available here.

Student Debt Relief

The *CARES Act* defers student loan payments, principal, and interest through September 30 for all borrowers of federally owned loans.

- People who drop out of school because of the pandemic will not be required to return portions of any Pell Grants or federal loans they received.
- The *CARES Act* waives a requirement that schools return certain amounts of grants or loans to the Department of Education if a student drops out of school.
- If students drops out due to the pandemic, the current academic term doesn't count toward their lifetime eligibility limit for receiving Pell Grants or subsidized federal loans.
- These provisions are expected to provide relief to 95% of student loan borrowers.

For more information on federal student debt relief provisions of the CARES Act, go here.