



THE MANUFACTURERS' ASSOCIATION
320 Busser Road, 2nd FL, P.O. Box 493, Emigsville, PA 17318
Phone (717) 843-3891 • Fax (717) 854-9445 • office@mascpa.org

Webinar Presented March 20th, 2020

The Families First Coronavirus Response Act: An Explanation

**By: John C. Porter, Esquire
Griffith, Lerman, Lutz & Scheib
in conjunction with The Manufacturer's Association**

There are eight Divisions of the Act. This discussion will focus on four of them.

DISCLAIMER:

This summary is not meant to be a one-size-fits-all explanation of the Families First Coronavirus Response Act. Employers who are signatory to a multiemployer collective bargaining agreement, health care providers, and emergency responders may have different obligations and benefits under the Act. This is not a complete legal analysis. For a complete legal analysis of your business, please consult with your attorney.



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Division F – Health Provisions

- Provides funding to ensure free Coronavirus testing for all Americans, regardless of health insurance status
- For those who are insured, whether through employer, the government (Medicare, Medicaid, etc.), or private insurance, the Act eliminates copays, deductibles, or any other cost sharing for the testing



Division G – Tax Credits for Paid Sick and Family Medical Leave

- Employers are entitled to a payroll tax credit of 100% for all qualified:
 - sick leave wages paid under the Act
 - family leave wages paid under the Act
- Consult with your Accounting Department, Tax Attorney, or Payroll Provider. Please consider:
 - The Act instructs the Treasury Department to issue guidance on documentation requirements. Until such guidance is issued, taxpayers should track the following information:
 - Each employee requesting sick leave due to the COVID-19 virus; document whether the employee is caring for themselves or a family member
 - Compute employee wages compared to the requisite \$511 or \$200 per day in order to determine the actual amount of the credit
 - Be prepared to supply such information as part of quarterly payroll tax return or annual income tax return filings.



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Division C – Emergency FMLA Expansion Act...expires 12/31/20

- Effective April 2, 2020
- Employers with 500 or fewer employees
- Eligible Employees are those who have been employed for at least 30 calendar days
- the employee is unable to work (or telework) due to a need for leave to care for a son or daughter under 18 years of age:
 - if the school or place of care has been closed
 - or the child care provider of such son or daughter is unavailable, due to a public health emergency
- The first ten days of leave are unpaid, although the employee may choose to take accrued PTO during this time



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Division C – Emergency FMLA Expansion Act - continued . . .

- The employer SHALL pay the employee for the remainder of the FMLA leave (10 weeks) at the rate of:
 - Not less than two-thirds of an employee's regular rate of pay for the hours the employee would normally be scheduled to work
 - For employees with varying schedules, the 6 month average of hours scheduled prior to the leave
 - If they have not worked for 6 months, then what their expectation was when they were hired
- Not to exceed \$200/day or \$10,000 in the aggregate
- There may be a “good cause” exemption for business with fewer than 50 employees if the viability of the business as a going concern would be jeopardized



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Division E – Emergency Paid Sick Leave Act...expires 12/31/20

- Effective April 2, 2020
- Employers who are engaged in commerce or in any industry or activity affecting commerce and employ 500 or less employees
- Employees shall be entitled to this leave regardless of how long they have been employed



Division E – Emergency Paid Sick Leave Act - continued . . .

- Must provide employees paid sick leave if the employees are unable to work or telework when the employee:
 1. Is under a governmental quarantine or isolation order related to COVID-19
 2. Has been advised by a health care provider to self-quarantine
 3. Is experiencing symptoms of COVID-19 and is seeking a medical diagnosis
 4. Is caring for an individual who is subject to a governmental quarantine or isolation order
 5. Is caring for a son or daughter if the school or place of care of the son or daughter has been closed, or the child care provider is unavailable
 6. Is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services



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Division E – Emergency Paid Sick Leave Act - continued . . .

- 80 hours for a fulltime employee
- For part-time employees, prorated based upon the average hours worked over a 2-week period
- An employer may not require an employee to use other PTO prior to using this sick leave
- The sick time may not exceed \$511 per day and \$5,110 in the aggregate for a use described in paragraph (1), (2), or (3) above (quarantine or seeking diagnosis due to symptoms)
- and may not exceed \$200 per day and \$2,000 in the aggregate for a use described in paragraphs (4), (5), and (6) above (caring for another person)



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Division E – Emergency Paid Sick Leave Act - continued . . .

- The rate of pay shall be the greater of the employee's regular rate of pay, federal minimum wage, state minimum wage, or local minimum wage
 - Except the rate shall be two-thirds this amount for a use described in paragraphs (4), (5), and (6) above (caring for another person)
- Penalties for Employers under the FLSA



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Questions?

Further Questions: John C. Porter, Esquire
jporter@gslsc.com
(717) 757-7602
Cellular (610) 761-9450

Manufacturers Association Contacts:
Questions: Office@mascpa.org

Website Resources: www.mascpa.org – News Section

Phone: 717-843-3891 – call and leave voicemail or go to the Staff Contacts part of the Association Website and email a specific staff person.