

# Summary of Stimulus Package I, II and III

## H.R. 6074 - Coronavirus Preparedness and Response Supplemental Appropriations Act

Passed House: Wednesday, March 4<sup>th</sup>

Passed Senate: Thursday, March 5<sup>th</sup>

Signed into Law: Thursday, March 5<sup>th</sup>

### **\$8.3 billion** supplemental coronavirus funding:

- **More than \$4 billion** to increase access to testing, support treatments to ease symptoms of those infected with the virus, and to invest in vaccine developments. Funds are also made available to help the Food and Drug Administration (FDA) ensure the US has adequate, safe medical supplies.
- **\$2.2 billion** for the Centers for Disease Control and Prevention (CDC) for a robust response, including:
  - **Nearly \$1 billion** exclusively for state and local response efforts
  - **\$300 million** for CDC's Infectious Diseases Rapid Response Reserve Fund to prevent, prepare for, and respond to diseases – keeping our nation prepared and positioned for any health threat.
- **\$20 million** to administer disaster assistance loans for small businesses impacted by the virus.
- **\$1.25 billion** for the State Department and the U.S. Agency for International Development (USAID) to protect Americans abroad and prevent the spread of the virus worldwide, including:
  - **\$264 million** to evacuate Americans and maintain consular operations overseas
  - **\$200 million** for USAID's Emergency Response Fund to prepare for and respond to emerging health threats – working to prevent the spread of illness and infection before it reaches U.S. soil.

## H.R. 6102 - Families First Coronavirus Response Act

Passed House: 1:30am on Saturday, March 14<sup>th</sup>

Passed Senate: Wednesday, March 18<sup>th</sup>

Signed into Law: Thursday, March 19<sup>th</sup> – DOL and Treasury were given 15 days to figure out how to implement these provisions (mainly, FMLA/paid leave), so these programs will go into effect on April 3<sup>rd</sup> (possibly sooner).

- **Free Testing**
  - In collaboration with private sector efforts, this bill ensures free testing to all patients seeking medically appropriate diagnostic lab tests.
- **Paid Sick Leave**
  - Businesses with fewer than 500 employees must provide 80 hours/10 days of paid sick leave to employees affected by coronavirus. This includes:
    - an employee who is subject to a federal, state, or local quarantine order or has been advised by a health care provider to quarantine;
    - an employee experiencing symptoms and seeking a medical diagnosis;
    - an employee caring for an individual with coronavirus;
    - an employee who must stay home with children whose school has closed due to coronavirus.
  - In addition to the 10 days of paid sick leave, coronavirus-affected employees are entitled to up to 10 weeks of paid leave if the school or place of care of the employee's child is closed due to coronavirus, at two-thirds of the employee's pay.
    - *This leave may not be taken intermittently.*
  - Compensation is capped at \$511 per employee per day for non-child caregiving leave and \$200 per employee per day for child caregiving leave.

- These companies will receive a 100% tax credit for both types of leave up to capped levels.
  - The tax credits would be administered by the IRS and be creditable against employer-side payroll tax liability, with any excess refunded to the employer.
  - Refundable tax credits similar in scope and amount would be available to self-employed workers facing the same employment interruptions.
- The Secretaries of Treasury and Labor have regulatory authority to provide flexibility so small businesses under 50 employees are not unduly harmed.
- The Secretary of Labor is given the authority to issue regulations for good cause to exempt businesses with fewer than 50 employees from the paid caregiving requirements, both the original 10 days and extended 10 weeks.
- **Unemployment Insurance**
  - Provides \$1 billion in 2020 emergency grant funds to states to administer unemployment insurance (UI) benefits.
    - \$500 million would be used to provide immediate additional funding to all states for staffing, technology, systems, and other administrative costs.
    - \$500 million would be reserved for emergency grants to states which experienced at least a 10 percent increase in unemployment. Those states would be eligible to receive an additional grant, in the same amount as the initial grant, to assist with costs related to the unemployment spike, and would also be required to take steps to temporarily ease eligibility requirements that might be limiting access to UI during the COVID-19 outbreak, like work search requirements, required waiting periods, and requirements to increase employer UI taxes if they have high layoff rates.
- **Emergency Appropriations to provide:**
  - Emergency nutritional assistance for senior citizens, women, children, and low-income families.
  - Important funding for Medicaid programs (6.2% for FMAP, sunsets when Emergency Disaster is recalled)
  - Flexibility to ensure meals for low-income students who typically rely on school meals.

## S. 3548, The Coronavirus Aid, Relief, and Economic Security (CARES) Act

Introduced in Senate: Thursday, March 19<sup>th</sup>

*\*Senate negotiations are ongoing. Senate Democrats blocked a procedural vote on Sunday night that would have allowed the bill to advance to a floor vote. At 2pm, we anticipate Speaker Pelosi introducing a partisan Phase III bill of her own.*

- **Recovery checks** on a means-tested basis, providing cash immediately to individuals and families
  - Eligibility:
    - Individuals who made \$75,000 or less in 2018 income are eligible for the maximum check amount: \$1200. For couples with a combined 2018 income of \$150,000 or less are eligible for checks up to \$2,400, plus an extra \$500 for each child.
    - The rebate amount is reduced by \$5 for each \$100 a taxpayer's income exceeds the phase-out threshold. The amount is completely phased-out for single taxpayers with incomes exceeding \$99,000 and \$198,000 for joint filers.
- **Loosens Rules on Retirement Accounts.** Older Americans that are subject to mandatory minimum distributions from their retirement accounts would be able to keep their capital invested instead of being forced to cash out to draw on that capital without penalty, which would be suspended for 2020. Similarly, the bill also waives the 10% penalty on coronavirus-related early distributions from 401(k)s and IRAs, which applies to distributions made at any time during 2020.
- **Rapid Relief for Small Businesses and their employees**
  - **\$300 billion** for SBA loans:
    - Businesses under 500 employees, including non-profits
    - Increased the SBA loan maximum from \$2 million to \$10 million

- Expands allowable uses of loans to include payroll support, such as paid sick or medical leave, employee salaries, mortgage payments, and any other debt obligations.
- **Paycheck Protection:** The bill creates a “paycheck protection program” for small employers, self-employed individuals, and “gig economy” workers, with \$350 billion to help prevent workers from losing their jobs and small businesses from going under. The “Paycheck Protection Program” would provide 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency. This proposal would be retroactive to February 15, 2020, to help bring workers who may have already been laid off back onto payrolls. Deadline to apply to is June 30, 2020.
- **Debt Relief:** For six months, SBA is required to pay all principal, interest and fees on all existing SBA loan products including 7(a), Community Advantage, 504, and Microloan programs for six months.
- **Increases Access to Cash for Businesses**
  - **Delays Payroll Tax Payments for Employers:** Employers would be able to delay the payment of their 2020 payroll taxes until 2021 and 2022, leading to approximately \$300 billion of extra cash flow for businesses
- **Economic Stabilization and Stimulus for Severely Distressed Sectors**
  - **\$208 billion** to the Secretary of the Treasury, through the Exchange Stabilization Fund, to provide sufficiently collateralized loans and loan guarantees to eligible entities:
    - **Up to \$50 billion** for passenger air carriers;
    - **Up to \$8 billion** for cargo air carriers; and
    - **Up to \$150 billion** for other eligible entities
      - Treasury Secretary is afforded flexibility to provide collateralized loans and loan guarantees to domestic entities “that have incurred losses as a direct result of the coronavirus global pandemic” so they can maintain operations.
- **Helping those Unemployed in the wake of the Coronavirus**
  - **About \$250 billion to Expand Unemployment Benefits:** The Senate economic relief package provides much-needed support for workers by making a significant investment.
  - **Unemployment Benefits for More Americans:** The bill will make sure self-employed and independent contractors like Uber drivers and gig workers can receive unemployment.
  - **More Money for a Longer Period for More Workers:** It also makes benefits more generous by adding \$600 per week on top of what the state normally pays in unemployment and provides an additional 13 weeks of benefits.
- **Support and Funding for Healthcare Sector & Increases Access to Testing:**
  - **Significantly Expands Telehealth,** allowing more patients to talk to their doctor and receive treatment without having to leave the home.
  - **Eliminates Red Tape for Employers and Individuals:** The bill ensures that Americans are able to use all tax-favored health care accounts, like HSAs and FSAs, to buy over-the-counter medicines tax-free without a prescription.