

HR6201

Q: *When does the Act go into effect?*

A: Employers are required to comply with the Act by April 2, 2020.

Q: *To whom does the Act apply?*

A: All public agencies with one or more employees, and private employers with less than 500 employees.

Q: *How much paid sick leave does the Act require?*

A: Full time employees are entitled to 80 hours of paid sick time and part time employees are entitled to a pro rata share of 80 hours depending upon their average hours per week over a two week period. Paid sick time is paid at the employee's regular wage up to a maximum of \$511/day.

Q: *How does an employee become eligible for paid sick leave under the Act?*

A: All employees, regardless of length of employment can become eligible in any of the following ways:

- (1) The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
- (2) The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; or
- (3) The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

Q: *How much Public Health Emergency leave (aka Parental Leave) does the Act require?*

A: The Act provides for 10 weeks of leave paid at $\frac{3}{4}$ of the employee's regular pay up to a maximum of \$200/day. However, the paid portion of the leave does not begin for 2 weeks (10 work days), which must be taken as unpaid leave unless the employee has available PTO or qualifies for the paid sick leave provision of the Act.

Q: *How does an employee become eligible for paid parental leave under the Act?*

A: Employees who have been employed for at least 30 days can become eligible in any of the following ways:

- (1) The employee needs to care for an individual who is subject to a quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- (2) The employee is caring for a child whose school or other childcare provider has been closed, or the childcare provider of such child is unavailable, due to COVID-19 precautions.
- (3) “The employee 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.” Whatever that means...

Q: *Will employers be reimbursed for wages paid under the Act?*

A: Employers can claim a tax credit for 100% of the wages paid under the Act up to the amount of all payroll taxes paid on ALL employees’ wages from now until December 31, 2020. The wages paid are subject to the limitations of \$200/day (paid parental leave time) and \$511/day (paid sick time). Employers should continue paying payroll taxes and take the credit on their next tax filing. We recommend speaking with your tax professional.

Q: *What if an employer offered paid sick leave to employees for COVID-19-related symptoms or diagnosis prior to the passage of the Act?*

A: The language of the Act appears to only apply the tax credit to payments made after the Act was signed by the President.

Q: *What if compliance with the Act will put such a burden on a small business that it will likely fail?*

A: The Act states that the Secretary of Labor has the authority to exclude businesses with less than 50 employees when the imposition of such requirements would jeopardize the viability of the business as a going concern. There is no explanation of how to seek to be excluded.

Q: *What is the procedure for employees to request leave under the Act?*

A: There is not a clear procedure outlined in the Act, but we expect further guidance from the Secretary of Labor prior to the April 2 deadline for compliance. In the meantime, we recommend using FMLA forms for the leave.