



March 14, 2020

## HR 6201 – Families First Coronavirus Response Act

Late Friday evening, the U.S. House of Representatives passed HR 6201, a bipartisan bill that will provide targeted relief to individuals impacted by measures meant to stem the spread of COVID-19. The Senate will return to Washington to consider this bill on Monday. It is likely that the Senate will pass HR 6201 with minimal alterations, after which the president will quickly sign it into law. Measures within the bill include:

- Federally mandated emergency paid sick leave and family leave for employees affected by COVID-19, along with a funding mechanism for employers to implement this new policy.
- Full coverage of testing and treatment by private health insurers and Medicaid.
- Increased funding for nutrition programs impacting children, the elderly and displaced workers.
- Health care worker protection plans.
- Funding for expanded unemployment programs.

As this bill is expected to pass early next week, employers in particular should be aware of the emergency paid sick leave and emergency family and medical leave expansion portions of this legislation. Both sections are temporary and will expire at the end of 2020.

The emergency paid sick leave section of this bill applies to all employers with fewer than 500 employees on a standard workday. Employers must provide two weeks of sick leave paid at the employee's standard rate if the employee is advised to quarantine after a possible or confirmed exposure to COVID-19, caring for an at-risk family member that has been advised to quarantine due to a possible or confirmed exposure to COVID-19, or caring for a child if their school or place of childcare has been closed. For full-time employees, two weeks will be defined as 80 hours. For part-time employees, the employee will be paid for the number of hours they'd typically work in a two-week period.

The emergency family and medical leave expansion section of this bill again applies to all employers with fewer than 500 employees on a standard workday. All employees who have been employed for more than 30 days will be given the right to take up to 12 weeks of job-protected leave if they are advised to quarantine after a possible or confirmed exposure to COVID-19, caring for an at-risk family member that has been advised to quarantine due to a possible or confirmed exposure to COVID-19, or caring for a child if their school or place of childcare has been closed. The employee will receive two weeks of paid leave at their standard rate, after which they will be paid no less than two-thirds of their standard pay for the remainder of their absence.

The cost that employers will see from these new emergency paid sick leave and emergency family and medical leave expansion programs will be offset by a refundable tax credit of 100%, with a daily cap, for qualified paid emergency leave. The daily cap on refundable paid leave will be \$511 for employees who are quarantining, seeking diagnosis or caring for an at-risk family member, and \$200 for employees caring for a child whose school has been closed. The credit will apply to the employer-paid portion of Social Security taxes, with any excess above the employer's tax burden being refundable to the employer. This credit will only be paid for sick leave that is directly taken in response to the COVID-19 pandemic. Additionally, there are provisions in the section that would allow self-employed individuals a refundable credit of 100% on their income tax for any days they are unable to work as well.