



# EMPLOYCO USA

*The Power to Compete*

## BULLETIN

March 28, 2020 (UPDATE)

### CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT (CARES ACT)

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President Donald Trump has signed the third and largest COVID-19 piece of legislation. The following bullet points summarize the key provisions of the Act.

#### **Coronavirus Aid, Relief and Economic Security Act (CARES Act)**

- **Expanded Unemployment Benefits**
  - The federal government will provide an additional \$600 per week in unemployment benefits – this is on top of what the state will

provide to the person in regular weekly unemployment benefits.

- Example: A laid off worker in Illinois who was earning \$577 per week in wages, would normally have been eligible for \$272 in weekly unemployment benefits. With the \$600 in additional unemployment benefits under the CARES Act, the unemployment benefits could increase to \$872 per week.

- **Payroll Protection Loans**

- Companies with less than 500 employees may be eligible to receive a forgivable loan.
- Loan maximum is lesser of (1) average monthly payroll costs during the prior year x 2.5; or (2) \$10 million.
- Payments under this program exclude sick leave payments made as part of the FFCRA.

- **Direct Payments to Individuals**

- \$1,200 for most adults earning less than \$75,000 per year (or \$2,400 combined for married couples earning less than \$150,000).
- \$500 per child.
- Potential smaller checks for individuals earning between \$75,000 and \$99,000; and couples earning between \$150,000 and \$198,000.

- **Employee Retention Tax Credit**

- Refundable payroll tax credit for 50% of the wages on the first \$10,000 of compensation.
- This tax credit is not available to employers that receive the “paycheck protection” loans.
- Available to employers whose:
  - Operations were fully or partially suspended due to a COVID-19 related “shut-down order,” or
  - Gross receipts declined by more than 50% when compared to the same quarter in the previous year.

### **Families First Coronavirus Response Act (FFCRA)**

The Department of Labor released a new set of questions and answers supplementing the previously released version. Click the following link to read the entire [list of FAQs](#). The new set of questions (15 – 37) provide guidance on issues related to employee requests, documentation, eligibility

requirements, and collective bargaining agreements. Here are some of the key Q&As:

**What records do I need to keep when my employee takes paid sick leave or expanded family and medical leave?**

- If one of your employees takes paid sick leave under the Emergency Paid Sick Leave Act, you must require your employee to provide you with appropriate documentation in support of the reason for the leave, including: the employee's name, qualifying reason for requesting leave, statement that the employee is unable to work, including telework, for that reason, and the date(s) for which leave is requested.

Documentation of the reason for the leave will also be necessary, such as the source of any quarantine or isolation order, or the name of the health care provider who has advised you to self-quarantine.

[\[continue reading FAQ #15...\]](#)

**If my employer is open, but furloughs me on or after April 1, 2020 (the effective date of the FFCRA), can I receive paid sick leave or expanded family and medical leave?**

- No. If your employer furloughs you because it does not have enough work or business for you, you are not entitled to then take paid sick leave or expanded family and medical leave. However, you may be eligible for unemployment insurance benefits. You should contact your State workforce agency or State unemployment insurance office for specific questions about your eligibility.

**If I am an employer, may I require an employee to supplement or adjust the pay mandated under the FFCRA with paid leave that the employee may have under my paid leave policy?**

- No. Under the FFCRA, only the employee may decide whether to use existing paid vacation, personal, medical, or sick leave from your paid leave policy to supplement the amount your employee receives from paid sick leave or expanded family and medical leave. The employee would have to agree to use existing paid leave under your paid leave policy to supplement or adjust the paid leave under the FFCRA.

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Looking for further discussion on this topic? You can [click here](#) to listen to Employco's latest March podcast, "Coronavirus (COVID-19) Updates."

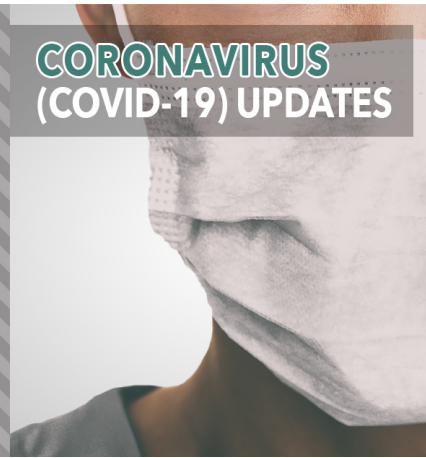
**In this podcast:** Rob, Scott, and Jason podcast remotely from their homes and discuss the latest updates on COVID-19; from new laws that have been passed and what they have to offer to the difference between furloughs and layoffs, a breakdown of the Families First Coronavirus Response Act, preliminary information on the CARES Act, and more.

[Click here to listen now:](#)



**Employco USA's  
HR Podcast**

**CORONAVIRUS  
(COVID-19) UPDATES**



Stay up-to-date with the latest material on our [coronavirus web page](#) - dedicated to sharing information about COVID-19 and how it relates to the workplace:

<https://www.employco.com/coronavirus>

We will continue to monitor the situation and provide updates throughout the process. We hope you and your family and friends are healthy.

Please [contact us](#) if you have any questions.



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### Questions, comments, feedback?

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