Coronavirus Pandemic

An Overview of Recent Federal Law Requirements and Opportunities

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Key New Laws

• Families First Coronavirus Response Act
  • Helps employees laid off because of COVID-19
• Coronavirus Aid, Relief, and Economic Security (CARES) Act
  • Designed in part to help small businesses
• Shelter In Place Orders
  • Essential business exceptions
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Families First Coronavirus Response Act

- Two Weeks of Paid Sick leave
  IF unable to work
  - Quarantine (100% up to $511/day)
  - Dr.’s Orders (100% up to $511/day)
  - Sick (100% up to $511/day)
  - Caring for sick (2/3\textsuperscript{rd} up to $200)
  - Caring for children because no school or daycare
    (2/3\textsuperscript{rd} up to $200)
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Families First Coronavirus Response Act

- 12 Weeks of Paid Family leave
  - If caring for child because school or child care closed.
  - 2 weeks without pay
  - 10 weeks at 2/3rd pf pay up to $200
- Exemption possible if under 50 employees
  - DOL “should document” need
- Act applies if laid off after March 31, 2020
- If 25 or more employees return employees to same position
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Families First Coronavirus Response Act

- Tax Credit for 100% sick and family leaved paid
  - Retain otherwise-owed payroll taxes up to an amount paid leave
  - If insufficient an expedited payment from the IRS
- An advance payment available
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Coronavirus Aid, Relief, and Economic Security (CARES) Act

Three main provisions for Small Businesses.

- Forivable Small Business Act (SBA) “payroll Protection loans
- Employment Retention Tax Credit
- Emergency SBA loans and grant
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Coronavirus Aid, Relief, and Economic Security (CARES) Act

SBA Payroll Protection loans

- Certify payroll on business expenses
- $2.5 \times \text{average payroll expenses for past 12 months}$
- Can be used for payroll and certain business expenses
- Can be forgive with limits based on number of employees retained
- Independent contractors, self-employed, sole proprietors can get
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Coronavirus Aid, Relief, and Economic Security (CARES) Act

Employment Retention Tax Credit

- Did not apply for Payroll loan
- 50% loss in gross receipts
- Tax credit =
  - 50% of pay to all employees if under 100
  - 50% of employees not working if over 100
- Stops when receipt greater than 80% or 12/31/2020
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Coronavirus Aid, Relief, and Economic Security (CARES) Act

Emergency SBA loans and grant

- Lowers loan requirements, waives most fees, eliminates personal guarantees and collateral
- Immediate $10,000 grant to be paid within 3 days
  - Forgiven if no loan
  - But deducted from amount of payroll loan forgive
- Can get if have payroll loan if use for different obligations
- Independent contractors, self-employed, sole proprietors can get
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Shelter In Place Order

- Essential Businesses Excepted
  - Orders Vary—State v. local orders
  - Construction & Building suppliers often included
  - Some include all construction (e.g., New Hampshire)
  - Others allow only emergency repairs (e.g., Vermont)
- May want to provide employees and subs with card
- AIA listing

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Questions & Answers