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March 22, 2020

COVID-19 Alert to Small Business Owners

On March 18, 2020, in response to the COVID-19 pandemic, Congress enacted THE EMERGENCY PAID SICK LEAVE ACT (the "Act"). The Act will become effective on April 2, 2020, and has significant implications for all private Employers in the United States with less than 500 employees (subject to future regulations by the Department of Labor), and most public agencies.

Below are details about the Act that each employer subject to the Act must be prepared to address:

1. EMPLOYEES ELIGIBLE FOR SICK LEAVE. Every employee is eligible for paid sick leave if the employee meets one or more of the following criteria ("Eligible Employees"):

- a. The employee is subject to a federal, state, or local quarantine or isolation due to COVID-19;
- b. A health care provider advised the employee to self-quarantine due to concerns related to COVID-19 (self-imposed quarantines without medical advice do not qualify under the Act);
- c. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- d. The employee is caring for an individual who is either subject to a federal, state, or local quarantine or isolation due to COVID-19, or has been advised to self-quarantine due to concerns related to COVID-19;
- e. The employee is caring for the employee's child whose school has been closed or place of childcare is unavailable due to COVID-19 precautions; or
- f. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of Treasury and Labor. The precise meaning of this sixth reason will be clarified by the Secretary of Health and Human Services.

2. HOURS OF PAID SICK LEAVE. Employers with less than 500 employees will be required to pay sick leave to Eligible Employees for the following time periods:

- a. 80 hours (two weeks), if employed full time; or
- b. The hours worked (for two weeks), if employed part time

3. SICK LEAVE RATE OF PAY.

- a. Full-time Eligible Employees receive compensation at their regular rates, but not in excess of \$511.00 per day and not in excess of \$5,110.00 in total sick pay.
- b. Part-Time Eligible Employees are to be paid at two-thirds of their regular rates, but not in excess of \$200.00 a day, and \$2,000.00 in total sick pay.

4. PROGRAM COMPLEXITY AND HOPE FOR FUNDING.

- a. The Act places financial and legal responsibility for paying the Sick Leave Benefits described above on Employers;
- b. Other than certain tax credits, the Act does not provide a means of reimbursing Employers for paying these benefits, however, subsequent legislation is being drafted, which may provide Employers with reimbursement, grants, or loans for these costs;
- c. As with most government programs, the details are more complex than this summary.

5. STIMULUS PACKAGE. It is rumored that some of the items covered above will be covered by a \$2 trillion Stimulus Package, which is currently under consideration by Congress. As soon as the Stimulus Package is enacted, Campbell Flannery will provide further analysis.

CONTACTING CAMPBELL FLANNERY, P.C.

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