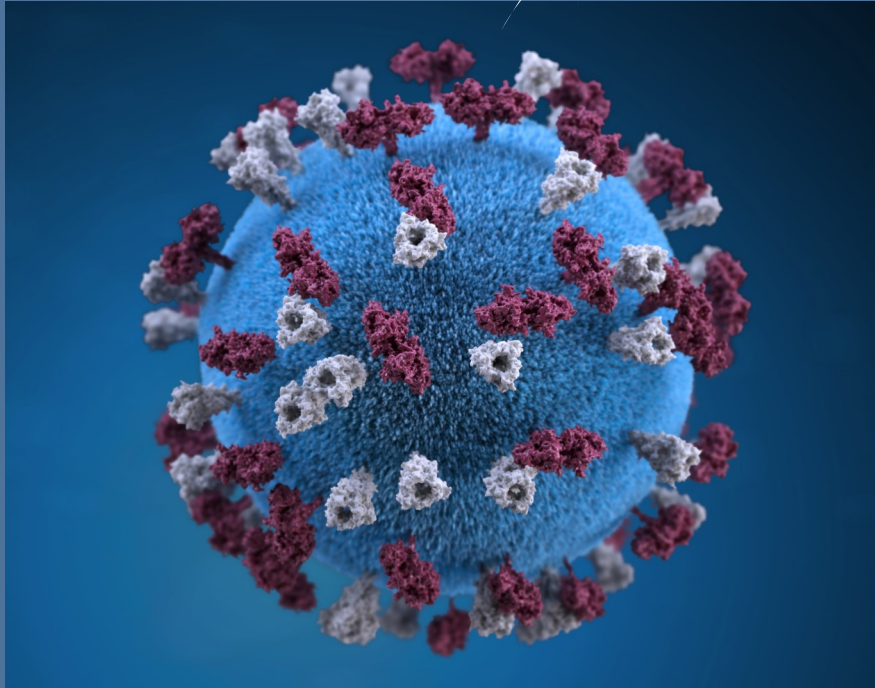




Bayne Law

Dedication | Diligence | Commitment

Navigating the Employee Paid Leaves Business Relief Strategies & Tax Credits



COVID-19 ALERT UPDATE

Employee Paid Leaves
under the Families First Coronavirus Response Act (FFCRA)

Business Counsel for the Global Marketplace®

EMPLOYEE LEAVE UNDER FAMILIES FIRST CORONAVIRUS RESPONSE ACT

COVERED EMPLOYERS TO PROVIDE EMPLOYEES WITH PAID SICK LEAVE / EXPANDED FAMILY AND MEDICAL LEAVE FROM APRIL 2, 2020 TO DECEMBER 31, 2020:

**** SPECIAL TAX CREDIT ELIGIBILITY ****

- Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay if the employee is quarantined, and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay because of a bona fide need to care for an individual subject to quarantine, or to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition; and
- Up to an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee's regular rate of pay where an employee, who has been employed for at least 30 calendar days, for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.
- All employees of covered employers are eligible for two weeks of paid sick leave. Employees employed for at least 30 days are eligible for expanded paid family leave to care for a child.
- Cap on Paid Leave Wages – limited to \$511 per day up to \$5,110 total per employee for their own use, and up to \$200 per day up to \$2,000 total to care for others, up to \$200 per day or \$12,000 in the aggregate (over a 12-week period) for expanded family and medical leave.

Employers Must retain and assemble the following documents for 4 years: to get TAX CREDITS:

- i. The name of your employee requesting leave;
- ii. The date(s) for which leave is requested ;
- iii. The reason for leave; and
- iv. A statement from the employee that he or she is unable to work because of the reason;
- v. The name of the government entity that issued the quarantine order, if applicable;
- vi. The name of the health care provider who gave advice , if applicable;
- vii. The name of the child being cared for,
- viii. The name of the school, or place of care provider that has closed or become unavailable
- ix. Employee statement that no other suitable person is available to care for the child.





COVID-19

AMERICAN BUSINESS LAWYERS

Our Commitment

BayneLaw is working diligently with our clients to help address all legal issues facing our valued clients during this crisis with respect to contract concerns, employment and labor law compliance and strategies, and other commercial matters impacted by the current economic effects of Covid-19 in the USA and globally. Please do not hesitate to let us know at any time of any issues we can help you with.

A Global Focus from the USA

Our clients come to us from throughout the United States of America and countries throughout the world, including Ireland, New Zealand, India, Canada, Australia, China, Europe, the Middle East and South America. We have a detailed understanding of state, federal and international business law, and we know how to effectively serve the interests of athletes, investors, entrepreneurs, professionals, small business owners and multinational enterprises.

Covered Employers

The paid sick leave and expanded family and medical leave provisions of the FFCRA apply to certain public employers, and private employers with fewer than 500 employees.

Small Business Employer Exemption

Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern. Documentation the determination by its authorized officer that it is eligible for small business exemption and retain such documentation for four years.

Employer tax credits for leave under FFCRA

- * Employers receive a 100% tax credit against their payroll tax liability up to the amount of benefits they must pay under the FFCRA.
- * To take immediate advantage of the paid leave credits, businesses can access funds that they would otherwise pay to the IRS in payroll taxes.
- * Employers can seek an expedited advance from the IRS by submitting a streamlined claim form to the IRS.

* Documentation Recommended by DOL for claiming tax credit:

- i. Documents show how the Employer determined the amount paid;
- ii. IRS Forms 7200 Advance Payment of Employer Credits Due to COVID-19;
- iii. IRS Forms 941 that the Employer submitted to the IRS or, records of information provided to the third party payer, and
- iv. Any other documents needed to support its request for tax credits.

State Leave Laws In Response to Coronavirus

Each States has also issued supplemental local laws. If the state law would provide greater benefits, the employee may be able to receive the greater between the federal benefits and state benefits.

Regulations related to the rapidly evolving COVID-19 pandemic are subject to change. Consult your attorney for guidance specific to your current situation. Not Legal Advice.



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