

COVID-19 Paid Leave Law is Final and Effective

by Grant T. Collins - Friday, March 20, 2020



President Trump has now signed into law the “Families First Coronavirus Response Act” or “FFCRA” (H.R. 6201). The new law creates two new types of paid leave: (1) Public Health Emergency Leave (“Emergency FMLA”) and (2) Emergency Paid Sick Leave (“Emergency PSL”).

A few important pieces of information:

- First, the new law applies only to those employers with “fewer than 500 employees.” Thus, if you have 500 or more employees, this law does not apply to you.
- Second, the FFCRA’s paid leave provisions do not go into effect until “15 days after the date of enactment.” This means that these provisions will take effect on April 1, 2020.
- Finally, although the costs of these new requirements will be borne by small to medium size employers, the costs of providing the new paid leaves are designed to be offset by refundable payroll tax credits.

To assist employers in preparing for these new requirements, we have prepared a list of Frequently Asked Questions (“FAQs”) regarding the FFCRA. The questions we address are listed below, and the answers with detailed explanations can be accessed by clicking [here](#).

1. What are the paid leave requirements in the FFCRA?
2. When does the law go into effect?

3. What employers need to provide Emergency FMLA?
4. Who is eligible for Emergency FMLA?
5. What if an employee has already exhausted their FMLA for this leave year?
6. What about an employee who are currently out on FMLA?
7. What employers need to provide Emergency PSL?
8. Who is eligible for Emergency PSL?
9. How do you determine whether you have 500 or more employees?
10. Are there exceptions for small employers?
11. Are certain types of employees exempt?
12. Does the FFCRA Apply to Employers with a CBA?
13. Do I have to pay “fringes” (health insurance, pension, etc.) on the payments I make to union employees taking Emergency FMLA or Emergency PSL?
14. Is there any other steps that a unionized business must take?
15. If a jobsite is closed and everyone is laid off, would I still have to provide paid leave?
16. How does my company get reimbursed by the IRS?
17. How do I provide the paid leave if my business is having cash-flow issues or in danger of going out of business?
18. What if my business has significant tax liability due on April 15?
19. Who do I contact with additional questions?

Bottom Line

We will continue to keep you updated as developments arise. For all of the latest COVID-19 information for employers, be sure to check our new and continually updated summary on the [Felhaber Larson web site](#) starting Monday, March 23.

