

July 23, 2020

#### Employee Sick Pay Related to Coronavirus:

Before the Cares Act gave us the PPP Loans, the Families First Act was passed which requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to Covid-19. This pertains to small businesses with less than 500 employees.

If an employee is unable to work because of being quarantined or is experiencing Covid-19 symptoms and seeking a medical diagnosis they are eligible for up to 2 weeks (80 hours) of sick pay.

If an employee has a bona fide need to care for an individual subject to quarantine pursuant to government order or advice of a health care provider, or to care for a child whose school or day care is closed, they are eligible for up to 2 weeks (80 hours) pay at two-thirds of their regular rate of pay.

The employee may be eligible for up to 10 additional weeks of pay at two-thirds their regular rate if they have been employed for at least 30 days and are unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed.

In any of these situations, the employer is eligible to recover the cost through a payroll tax credit.

A business with less than 50 employees may qualify for exemption if they can show that it may jeopardize the business's survival. We think this may be difficult since there is a credit which will recover the cost.

If you are faced with these situations, please do not hesitate to contact us for help and guidance. We have already had a couple of clients experience this and there will likely be more. We are committed to helping our clients through this time.

Lawrence, Nelson & Associates, Ltd.