



Update: Families First Coronavirus Response Act of 2020

Effective Date

The Department of Labor (the “DOL”) advanced the effective date of the Families First Coronavirus Response Act (the “Act”) to April 1, 2020.

Posting Requirement

On March 25, 2020, the DOL issued the notice that employers are required to post on or before April 1, 2020 to comply with the Act. The Act requires that the notice be posted “in conspicuous places on the premises of the employer where notices to employees are customarily posted.” The “Employee Rights” notice can be found at the DOL website or by clicking [here](#).



Biography

Posting Requirement

On March 25, 2020, the DOL issued the notice that employers are required to post on or before April 1, 2020 to comply with the Act. The Act requires that the notice be posted “in conspicuous places on the premises of the employer where notices to employees are customarily posted.” The “Employee Rights” notice can be found at the DOL website or by clicking [here](#).

Additional Guidance

The DOL also published additional guidance, which can be found by clicking [here](#). In addition to this guidance, the DOL offered clarification with respect to the tax credit offered to employers with employees exercising their right to leave. Specifically, the DOL stated that “[e]mployers receive 100% reimbursement for paid leave pursuant to the act.” Employers may withhold their share of Social Security and Medicare taxes when filing the quarterly payroll tax returns with the IRS. If there are not sufficient payroll taxes to cover the cost of qualified sick and child care leave paid, employers will be able to file a request for an accelerated payment from the IRS. Refunds should be processed within two weeks or less. Additional details from the

DOL should be announced next week.

Economic Disaster Loans Program for COVID-19

My business law colleagues have also been keeping abreast of the Economic Injury Disaster Loans Program for COVID-19. For those employers struggling due to lost income, please refer to the information regarding the Program which can be found by clicking [here](#). Should you need additional information, please contact Jodi Bohr at 602.255.6082 to be directed to an attorney who can assist you.

Coronavirus Aid, Relief and Economic Security Act

On March 27, 2020, the House passed the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) into law. The Act was pending President Trump’s for signature at the time of this Advisory, but the President is expected to sign it. The CARES Act is a \$2 trillion economic stimulus package. Title II of the CARES Act specifically addresses the unemployment insurance assistance that will be offered to employees who have been affected by furloughs, layoffs, or a reduction of work hours as a result of the COVID-19 pandemic. This law also expands benefits to self-employed and gig-economy workers by treating them as employees.

Takeaways from Title II of the CARES Act:

1. Expands eligibility for unemployment insurance benefits by providing “covered individuals” with an additional \$600 per week above the \$240 per week maximum benefit paid by the State of Arizona.
2. Unemployment benefits under the CARES Act can be paid for up to 39 weeks to employees so long as those employees remain unemployed, partially unemployed or unable to work due to COVID-19.
3. Individuals must be able and available to work and actively seeking work, unless they are unable to do so due to a COVID-19 illness or quarantine.
4. Covered individuals may be entitled to retroactive unemployment benefits under the CARES Act from as early as January 27, 2020.
5. Unemployment benefits under the CARES Act end on or before December 31, 2020

Conclusion

While these statutes have been signed, the guidance we are awaiting make some of these points a moving target and subject to change. We encourage employers who have specific questions about the Act or other COVID-19 related employment issues to contact Jodi Bohr at jrb@tblaw.com or (602) 255-6082.

602-255-6000

Visit Our Website



Share



Tweet



Share