

FAMILIES FIRST

Coronavirus Response Act

Recently the Coronavirus Response Act (“the Act”), was passed, and it provides for free testing for COVID-19 and paid emergency sick leave related to COVID-19. The paid leave provisions of the Act are as follows:

EMERGENCY PAID SICK LEAVE

Employers with 500 or fewer employees must provide two weeks of paid sick leave to employees whose absence is due to COVID-19. If the sick leave is due to the employee’s own illness or need to self-isolate, paid sick leave covers up to \$511 a day (\$5,110 total). If the paid sick leave is to care for a family member or a child out of school, the paid sick leave benefit must replace at least two-thirds of employee’s pay, up to a maximum benefit of and \$200 a day (\$2,000 total). Refundable tax credits are available for employers that are required to offer these benefits under the bill, including self-employed individuals.

PAID FAMILY LEAVE

Employers with 500 employees or fewer must offer up to 12 weeks of paid family leave for employees who have been employed for at least 30 days, and require leave to care for minor children at home due to COVID-19. The first 10 days are unpaid, but the employee can utilize the paid leave outlined above. The paid family leave must replace at least two-thirds of the employee’s pay, up to a maximum of \$200 per day. The employer is again entitled to a payroll tax credit to offset the cost of the paid family leave, along with the employer contribution for health insurance premiums for the employee for the period of leave.

Small employers with fewer than 50 employees can apply for an exemption from the “paid sick leave” and “paid family leave” requirements, as can employers in certain industries (such as health care). The Act’s requirements also apply to government employees.

Under the Act, self-employed individuals are provided similar credits as refundable income tax credits in the amount of what the individual would have received if they had been an employee receiving paid leave benefits pursuant to the mandates. For a given day that a self-employed worker could not work, they can claim a tax credit in the amount of their average daily self-employment income for the year.

Congress is expected to take up additional COVID-19 relief legislation in the coming days.

Disclaimer: The Buckner Company intends this document to serve as general information only. This information was compiled on March 20, 2020. Individual policy language will determine how coverage may or may not apply. Please reach out to your Client Advisor if you have questions regarding coverage specific to your insurance policies. Please refer to and visit the official websites of Centers for Disease Control and Prevention (CDC), World Health Organization (WHO), and Occupational Safety and Health Administration (OSHA) for additional information, Coronavirus updates, and best practices.