



MENTOR

THE NATIONAL MENTORING PARTNERSHIP

Family First Coronavirus Response Act (H.R. 6201) *2nd stimulus bill*

In an effort to help communities respond to the unprecedented and fast-moving impact of COVID-19 (or, coronavirus), Congress passed and the president signed into law H.R. 6074 on March 6, a second stimulus package on March 18, and a third package is already in the works. A likely fourth package may not be far behind.

H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act, provided \$8.3 billion of new funding to support rapid responses to the growing coronavirus threat, including support for state and local agencies, vaccine and treatment development, and small business loans.

H.R. 6201, the Family First Coronavirus Response Act, provided \$104 billion to ensure free coronavirus testing, mandates and tax credits for paid sick and emergency leave, and addresses food insecurity.

PAID LEAVE

There are paid leave provisions of the Family First Coronavirus Response Act. In short, these provisions dictate employers with fewer than 500 employees (drafted to *include* nonprofit organizations) must offer*:

- Two weeks of paid sick time at the employee's regular rate of pay while the employee is quarantined, self-quarantined, or experiencing COVID-19 symptoms and seeking diagnosis; or
- Two weeks of paid sick time at two-thirds the employee's regular rate of pay while caring for an individual subject to quarantine or self-quarantine, caring for a child whose school or childcare provider is closed or unavailable for reasons related to COVID-19, or experiencing a substantially similar condition as specified by the Secretary of U.S. Department of HHS, in consultation with the Secretaries of the Treasury and Labor; and
- An additional 10 weeks of paid family leave (expanded under the Family and Medical Leave Act, FMLA) at two-thirds the employee's regular rate of pay to care for a child whose school or child-care provider is closed or unavailable for reasons related to COVID-19.

These requirements may be waived by the Treasury Department for employers with fewer than 50 employees for reasons of financial hardship.

The Wage and Hour division of the U.S. Department of Labor is responsible for the implementation of these provisions. Learn more [here](#).

*The paid sick leave provision apply to employers who do not already provide two weeks of paid sick leave. Expanded paid family leave under FMLA would only apply to employees affected by coronavirus as defined in the law.

TAX CREDITS

The bill provides two tax credit provisions for employers to offset the cost of additional paid sick and family leave.

- Employers eligible for expanded emergency sick leave requirements may receive a refundable credit for up to 10 days of employees qualified sick leave wages, including allocated health plan expenses paid under the Emergency Paid Sick Leave Act (the expanded FMLA provision). This credit will be available through 2020.
 - The tax credit is refundable up to the amount of the employer's payroll tax liability.
 - The maximum amount of an employee's wages takes into account for the credit is \$511 per day while the employee is caring for themselves or \$200 per day while caring for a sick family member and/or because their dependent's school or care is closed due to the pandemic.
- Private employers required to follow the paid sick and emergency leave provisions can claim a refundable tax credit for \$200 per day of an employee's qualifying wages, including allocated health plan expenses paid via the expanded FLMA.

This credit applies to nonprofit employers because the credit applied to payroll taxes vs. income taxes.

- The maximum amount of wages is \$10,000 per employee.
- The tax credit is refundable up to the amount of the employer's payroll tax liability.
- Wages required to be paid under the new paid sick leave and expanded emergency care under FLMA will not be subject to the employer portion of the payroll tax.

FOOD INSECURITY

The bill expands food and nutrition services for those impacted by COVID-19. It provides emergency Supplemental Nutrition Assistance Program (SNAP) assistance to families with children who attend schools closed due to the pandemic who would otherwise receive free or reduced-price meals. The bill also expands funding for senior meals, food banks, WIC, and provides some additional flexibility to extend food services to students and families.

OTHER PROVISIONS OF NOTE

The bill includes other provisions effecting programs related to defense, IRS, Veteran's Affairs, etc. Listed below are some notable provisions.

- The bill ensures all medical costs for diagnostic testing related to COVID-19 will be covered, including those who are uninsured.
- The bill provides states with an increase in the Medicaid FMAP (federal medical assistance percentage) to support increased costs related to the pandemic.
- The bill provides \$1 billion for grants to states to process and pay increased unemployment insurance (UI) benefits related to the pandemic.
- The bill provides funds to support technological improvements and expansion for Medicare telehealth and other virtual medical services.