GBS HR Consulting & Compliance

Congress Passes Coronavirus Law Requiring Paid Leave

The evolution of the COVID-19 epidemic is constantly evolving. The information in this document is based on what known at this time. As things change, we will continue to update you as it affects employee benefits compliance rules.

On Wednesday, March 18, 2020, the U.S. Senate voted to approve the Families First Corona Virus Response Act, a relief bill that was passed by the U.S. House of Representatives over the weekend. President Trump is expected to sign the bill into law.

The Act requires employers to provide paid leave to certain employees for issues related to the coronavirus (COVID-19). The Act takes effect no later than 15 days after it is signed by the president.

Here are some highlights, with more details coming soon

Emergency Paid Sick Leave

The Act requires two weeks of paid sick leave for government workers and employees of companies with fewer than 500 employees. Leave must be made available immediately to workers who are symptomatic or are under an order or advice to quarantine or self-isolate, who have to care for a family member under such an order or advice, or who have a child whose school or child care facility has closed (or whose child care provider is unavailable) due to the coronavirus.

Emergency Family and Medical Leave Act

The Act provides FMLA rights for some employees of companies with fewer than 500 employees, requiring partially paid leave after 10 days when an employee is unable to work or telework due to school or child care closures related to the coronavirus.

Other Provisions

The Act provides funding for economic assistance and requires health plans to cover COVID-19 testing at no charge. A refundable tax credit for employers that provide paid leave benefits as required by the Act is also included. The U.S. Treasury is expected to use its regulatory authority to advance funds to some small businesses to cover the cost of providing paid sick leave.

This information is provided as educational material only and is not intended as legal, financial or tax advice. Consult your legal counsel for complete details on your compliance requirements for your plan(s).

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