GBS COVID-19 Compliance Alert

Biden American Rescue Plan

The first stimulus and major piece of legislation of the Biden administration, the American Rescue Plan has passed its final hurdle and will be signed into law tomorrow. Intended to supplement the recent Emergency COVID-19 Relief Act of 2020, the $1.9 trillion economic rescue plan focuses on the economic impact of the COVID-19 national emergency. Major provisions are reflected below.

Economic

- Stimulus check to qualified individuals of $1,400
- Extend unemployment insurance programs, including the duration for unemployment (from 50 to 79 weeks) and the $300 supplemental pay
- State, local, tribal and transit funding
- School funding for COVID-19 mitigation for early educations through higher institutions
- Expanded child tax credit and dependent care account program limit increase
- Increased Earned Income Tax Credits for one year

Healthcare

- COBRA subsidies (reimbursed through tax offsets) & allow change in election for subsidized COBRA offering
    - Notice to be provided within 60 days of enactment of this new law (a model notice will be provided by the Department of Labor)
- Adjust the Premium Tax Credit (PTC) to 8.5% for affordable health insurance premiums purchased in the Exchange Marketplace & remove upper income threshold for PTC availability

Leave

- Fund tax credit for voluntary COVID-19 paid leave coverage
- Reimburse employers 100% for cost of leave if less than 500 employees
- Reimburse state and local government for cost of leave

A more in-depth summary will be distributed within the next few days. GBS Compliance will provide additional information and summaries as final details are determined during the rulemaking process.

March 11, 2021

The information herein is educational only and not intended as legal advice.