

COVID-19 Relief Legislation

In just three weeks a divided congress has passed three major pieces of legislation to address the pandemic.

Phase one: signed March 3rd providing \$8.3 Billion in fresh funds for health agencies and testing, and for small business loan subsidies.

Phase two: The Families First Coronavirus Response Act (FFCRA) enacted March 18th and worth about \$100 Billion, had tax credits for employers and offering paid sick leave and increase to unemployment benefits and food assistance.

Phase three: The Coronavirus Aid, Relief and Economic Security Act (CARES Act) signed into law March 27th is \$2 Trillion dollars which includes checks to households, bailouts for airlines and other distressed industries, and loans and grants for small business.

Work- Related Provisions

Unemployment Insurance in the FFCRA

*This makes it easier for individuals to apply for unemployment insurance because it provided \$1 Billion in grants to help states administrate their unemployment compensation Programs.

*\$500 Million is available to any state that takes certain steps to facilitate applying for Unemployment Insurance. (UI)

*\$500 Million is also available to states that do the following: experience a 10% increase in unemployment, ease eligibility requirements for applicants impacted by COVID-19, by waving work search requirements, or by eliminating waiting periods.

Unemployment Insurance CARES Act

The CARES Act expands UI programs administered by states in four ways:

1. expands access to UI benefits
2. increases the amount of UI payments
3. extends the duration of UI benefits
4. eliminates waiting periods

*States have to enter into an agreement with the Federal Government for this to go into effect, but by doing so the Federal Government will pay for 100% of the changes allowed by the bill.

Workers who qualify for regular UI

- *All weekly UI benefits will be increased by \$600.00 for the next four months (July 31)
- *State-law mandated “waiting periods” are waived
- *Benefits can be received for an additional 13 weeks beyond what state law typically allows
- *These enhancements are for unemployment for any reason- not just COVID-19

Workers who typically would not qualify for regular UI benefits

*Access to the UI system is expanded- individuals who have exhausted their benefits, independent contractors, sole proprietors, those without work history, and others that normally would not qualify for UI benefits are eligible for regular UI payments

*These individuals may receive benefits if they are unemployed or unavailable to work because of COVID-19 (but otherwise would be available for work)

*These workers are entitled to up to 39 weeks of UI benefits(including any benefits they received under regular UI)

*All weekly UI benefits will be increased by \$600.00 for the next 4 months (July 31st)

* State-law mandated “waiting periods” are waived

Direct Payments

The CARES Act also provides direct payments to individuals and families. All US residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not dependent of another taxpayer and have a work eligible Social Security number, are eligible for the full \$1,200 (\$2,400 married) payment. In addition, they are eligible for an additional \$500.00 per child. This is true even for those who have no income, as well as those whose income comes entirely from non-taxable means-tested benefit program, such as SSI benefits. For most Americans, no action on their part will be required in order to receive a rebate check as IRS will use a taxpayer's 2019 tax return if filed, or their 2018 return. This includes many low-income individuals who file a tax return in order to take advantage of the refundable Earned Income Tax Credit and Child Tax Credit.

Direct Payment Examples

Single Person	Married
\$75,000 - \$1200	\$150,000 - \$2,400
\$80,000 - \$950	\$160,000 - \$1,900
\$85,000 - \$700	\$170,000 - \$1,400
\$90,000 - \$450	\$180,000 - \$900
\$95,000 - \$200	\$190,000 - \$400
\$99,000 - \$0	\$198,000 - \$0

If you have Children in your household 16 or under you will receive \$500 per Child

With this as the cut-off

Single Person	Married
\$109,000 - \$0	\$208,000 - \$0

They should not expect to receive those checks until mid-May

Examples: How the CARE Act will impact our members

Jane Doe, a Sheet Metal Worker, is laid off because the project site she was working on has been shut down due to COVID-19. She reported that she earned \$60,000 of income on her most recent tax return, and she is eligible for regular UI benefits because she was an employee and has a prior earning history. She will receive;

1. Her weekly UI benefits (which are a percentage of her prior salary)
2. an extra \$600.00 per week (through July 31)
3. a \$1,200.00 tax credit

Her state normally allows 26 weeks up to 39 weeks of regular and extended UI benefits and applies a “waiting week” before benefits are sent. Under CARES Act, she will be able to receive benefits immediately and for up to 52 weeks because of this bill.

Example Number 2

John Smith is a first year apprentice sign worker. He started his apprenticeship in September but was laid-off in February because of the COVID-19-related work slowdowns. He reported an income of \$20,000 on his most recent tax return. In normal circumstances, he would be denied UI under his state's eligibility rules because of a lack of work history. Under the CARES Act, the state would be able to use any documentation he submits of his earnings during his apprenticeship to calculate an appropriate weekly benefit. He will receive;

1. Weekly UI benefit based on the pay stubs that establish his prelayoff wages.
2. An extra \$600.00 per week (through July 31).
3. A \$1,200 tax credit.

He can receive these weekly UI benefits for up to 39 weeks, as long as his unemployment continues to be caused by COVID-19

Example Number 3

Jill Jones is a Sheet Metal Worker who has been out of the workforce for a few years but was hired to start on a project at the end of March. This project was delayed because of COVID-19. While Jill would not typically be eligible for UI because of her lack of wage history, she can now apply for benefits because of the expanded access provisions of this bill. Because she did not report any income on her most recent tax return and has no wage history that can be used to calculate a weekly benefit amount, she will receive;

1. A “minimum flat benefit” based on the average weekly benefit paid in the state.
2. An extra \$600.00 per week (through July 31)
3. A \$1,200 tax credit.

She will start receiving this benefit immediately because the state has waived its waiting period.

Emergency Paid Sick Leave

Who is Eligible?

- * Employees at companies with fewer than 500 employees
- * Government employees
- * Employees who work under a multiemployer Collective Bargaining Agreement and whose employer pays into a multiemployer plan.

What Are They Eligible For?

- * Eligible full-time employees are entitled to week (80 hours) of fully paid time off (up to \$511 per day /\$5110 Max) to self-quarantine, seek a diagnosis or preventative care, or receive treatment for COVID-19.
- * Eligible part-time employees are also entitled to fully paid time off (up to \$511 per day) for the typical number of hours that they work in a typical two-week period for the same reasons stated above.

Emergency Paid Sick Leave

What Are They Eligible For?

*Eligible full-time employees are entitled to two weeks (80 hours) paid time off at 2/3 of their regular pay (up to \$200 per day) to care for a family member or to care for a child whose school has closed, or if their child care provider is unavailable due to COVID-19. *Eligible part-time employees are also entitled to the typical number of hours that they work in a typical two-week period at 2/3 of their pay for the same reasons as above

Who Pays for the Emergency Paid Sick Leave?

*Employers initially front the cost but will be fully reimbursed for wages and health insurance premiums for the period of leave by the Federal Government within 3 months.

* This will be done through a refundable tax credit that counts against employers' payroll tax, which all employers pay regardless of non or for Profit status.

*Employers will submit emergency paid sick leave expenses as part of their estimated quarterly tax payments. If the cost is more than their liability, the IRS will refund them.

Emergency Paid Family Leave

Who is eligible?

- *Employees at companies with fewer than 500 employees
- * State and Local Government employees and certain government employees
- * Employees who work under a multiemployer Collective Bargaining Agreement and whose employers pay into a multiemployer plan.

What Are They Eligible For?

*Eligible full-time and part-time employees are entitled to 12 weeks of job-protected leave to take care for their children in the event of a school closure or their child care provider is unavailable do to COVID-19 * The 12 weeks of job-protected leave include 2 weeks unpaid, followed by 10 weeks paid. Employees can elect to use accrued vacation, personal, medical or sick leave for the unpaid portion.

*Eligible employees will receive a benefit from their employer that will be no less than 2/3 of the employees' usual pay.

Emergency Paid Family Leave

Who Pays for the Emergency Paid Family Leave?

*Employers initially front the cost of emergency paid sick leave but will be fully reimbursed for wages and health insurance premiums for that period of leave by the federal government within 3 months.

*Employers will be reimbursed through a refundable tax credit that counts against employers' payroll tax, which all employers pay regardless of non or for profit status.

*Employers will submit emergency paid sick leave expenses as part of their estimated quarterly tax payments. If the employers' cost more than offset their tax liability, they will get a refund from the IRS.