



News & Types: Employment, Labor & Benefits Update

UPDATED: COVID-19 Employment Alert

3/16/2020

Practices: Employment, Labor & Benefits

HOUSE PASSES CORONAVIRUS RELIEF BILL THIS WEEKEND

SENATE AND PRESIDENT STILL NEED TO CONSIDER

FAMILIES FIRST CORONAVIRUS RESPONSE ACT (H.R. 6201)

As we previously reported, the U.S. House of Representatives passed the Families First Coronavirus Response, H.R. 6201, (the “Families First Act” or the “Act”) in response to the coronavirus outbreak. The version of H.R. 6201 that our March 15, 2020 Employment Alert was based has been subsequently revised. Here is a summary of the latest version of H.R. 6201, which the Senate has not yet approved.

Division C sets forth the Emergency Family and Medical Leave Expansion Act. This section provides employees of employers with 1 to 499 employees, who have been on the job for at least 30 days, with the right to take up to 12 weeks of job-protected leave, referred to as Public Health Emergency Leave, under the Family and Medical Leave Act. A qualifying need related to a public health emergency means the employee has a need for leave:

- To comply with a recommendation or order by a public official or health care provider on the basis that the employee's presence on the job would jeopardize the health of others due to the employee's exposure to coronavirus or exhibition of symptoms of coronavirus;
- To care for a family member whose presence in the community would jeopardize the health of others, as determined by a public official or health care provider; and
- To care for a child of an employee under age 18, if the child's school or place of care has been closed, or the child-care provider is unavailable, due to a public health emergency.

The first two weeks of leave under this section of the proposed law are unpaid. However, the employer must also comply with Division E, which mandates emergency paid sick leave. After the first fourteen days, employers must provide paid leave for each day of leave taken under this proposed law in an amount that is not less than two-thirds of the employee's usual pay for the number of hours the employee would otherwise be normally scheduled to work.

An employer who employs fewer than 25 employees is not required to reinstate the employee if the position held by the employee when the leave commenced does not exist due to economic conditions or other changes

in operating conditions of the employer that (a) affect employment, and (b) are caused by a public health crisis during the period of leave. The employer must make reasonable efforts to restore the employee to a position equivalent to the position the employee held when the leave commenced, with equivalent employment benefits, pay, and other terms and conditions of employment.

Division E sets forth the Emergency Paid Sick Leave Act. This Act requires employers to provide its employees with paid sick time for any of the following uses:

1. to self-isolate because the employee is diagnosed with coronavirus;
2. to obtain a medical diagnosis or care if such employee is experiencing the symptoms of coronavirus;
3. to comply with a recommendation or order by a public official or a health care provider that the physical presence of the employee on the job would jeopardize the health of others because of (a) the exposure of the employee to coronavirus; or (b) the exhibition of symptoms of coronavirus by the employee;
4. to care for or assist a family member of the employee who (a) (i) is self-isolating because such family member has been diagnosed with coronavirus; (ii) is experiencing symptoms of coronavirus and needs to obtain medical diagnosis or care; or (b) with respect to whom a public official or a health care provider makes a determination that the presence of the family member in the community would jeopardize the health of other individuals in the community; or
5. to care for the child of such employee if the school or place of care has been closed, or the child care provider of such child is unavailable, due to coronavirus.

The number of hours of paid sick time to which an employee is entitled is as follows:

- For full-time employees, 80 hours.
- For part-time employees, a number of hours equal to the number of hours that such employee works, on average, over a 2-week period.

The Act provides that any employer with an existing paid leave policy shall provide the paid sick time under the Act in addition to such paid leave. An employer may not require an employee to use other paid leave provided by the employer to the employee before the employee uses the paid sick time under the Act.

The latest version of H.R. 6201 removes the reimbursement provision for employers with 50 or fewer employees, which stated that the U.S. Government would reimburse employers who are required to grant paid sick leave benefits. However, under proposed Division G, an employer will be allowed a credit against the tax imposed by section 3111(a) of the Internal Revenue Code of 1986 for each calendar quarter. The credit will consist of an amount equal to 100 percent of the qualified sick leave wages paid by such employer with respect to such calendar quarter, subject to the limitations stated in the Act.

Each employer must notify employees by posting in conspicuous places on the premises of the employer where notices to employees are customarily posted, a notice, to be prepared or approved by the Secretary of Labor, of the requirements described in this Act.

It is unlawful for an employer to interfere with the exercise of rights under the Families First Act or to discharge or in any other manner discriminate against (including retaliating against) any individual, including a job applicant, for opposing any practice made unlawful by this Act.

WHO CAN GO HOME, WHO HAS TO WORK, AND WHO HAS TO PAY FOR IT?

The above is a brief summary of some of the key employment-related provisions in the Families First Coronavirus Response Act. However, employers should keep in mind that the bill, if enacted by the Senate and signed into law by President Trump, may be modified before becoming law.

While the world waits to see what the full severity and duration of the COVID-19 virus will be, as well as the federal government's response, U.S. employers must make immediate decisions regarding employee health concerns and assess their legal obligations under various federal and state initiatives. In light of the uncertainty, Masuda Funai will keep clients updated on various federal and state developments.

In the meantime, please contact your relationship attorney or a member of the Employment Group with any questions regarding the COVID-19 virus, including questions related to compliance with the Americans With Disabilities Act, OSHA, the Fair Labor Standards Act, wage and hour compliance, sick leave, working from home policies, immigration, delayed litigation, and any business contract force majeure issues.