



Families First Coronavirus Response Act Passed into Law

Today the Senate passed the [Families First Coronavirus Response Act](#), and President Trump is expected to sign the bill shortly. The Act includes several provisions to protect American workers and assist employers in providing emergency paid sick leave, as well as paid family leave in the case of school closures, for working families impacted by COVID-19.

The FFCRA requires employers with up to 500 employees to provide paid sick leave and paid family leave while providing a refundable payroll tax credit to employers to cover 100% of the cost of wages. There is also a refundable income tax credit made available for self-employed individuals. Employers with less than 50 employees must apply for a hardship exemption in order to qualify.

Employers must offer two weeks (10 days) of paid sick leave for COVID-19-related reasons (existing leave offered can count toward the 10 days). If the sick leave is for an employee who is sick or seeking a diagnosis, the benefit must replace all of the employee's wages up to a maximum benefit of \$511 per day. If an employee is caring for another individual who is sick, the benefit must replace at least two-thirds of the employee's wages up to a maximum benefit of \$200 per day. The paid sick leave credit offsets 100% of employer costs for providing mandated paid sick leave. The credit also offsets, uncapped, the employer contribution for health insurance premiums for the employee for the period of leave.

Employers must offer 12 weeks of paid family leave for employees who have been employed for at least 30 days with a minor child in the event of the closure of the child's school or place of care. The first 10 days are unpaid, but the employee can overlap this with the 10 days of paid sick leave. This benefit must replace at least two-thirds of the employee's wages up to a maximum of \$200 per day. The paid family leave credit offsets 100% of employer costs for providing mandated paid family leave. The credit also offsets, uncapped, the employer contribution for health insurance premiums for the employee for the period of leave.

Under FFCRA, self-employed individuals are provided similar credits as refundable income tax credits in an amount of what self-employed workers would have received if they had been an employee receiving paid leave benefits pursuant to the mandates. For a given day that a self-employed worker could not work, they can claim a "rough justice" tax credit in the amount of their average daily self-employment income for the year.

This action taken by Congress follows several pieces of emergency guidance released by the Trump Administration. We are expecting more action from Congress and the Administration to address other aspects of the coronavirus pandemic. Be sure to regularly check your email, NAHU's social media channels and website for any updates. Should CDC or WHO guidance change, NAHU will act accordingly and immediately update you. You can find links to pertinent information from WHO, CDC the Department of Labor and CMS on our [website](#). We also encourage you to contact insurance carriers, check plan documents and state law, and consider the needs of your clients as coverage decisions are being made.

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