



FACT SHEET ON FAMILIES FIRST CORONAVIRUS RESPONSE ACT
FREQUENTLY ASKED QUESTIONS
(*AS OF MARCH 17, 2020)

The House passed bill creates emergency paid sick and leave along with paid family leave for individuals impacted by coronavirus/COVID-19. Employers can claim a 100 percent refundable tax credit against payroll taxes for employers and sole proprietors.

Question: What size business do these provisions apply to?

- **Answer:** Both the emergency paid sick and paid family leave requirements apply to employers with fewer than 500 employees. Thus, the tax credit is only available for employers with fewer than 500 employees.

Question: Are there any exemptions available for very small businesses?

- **Answer: Yes.** The Secretary of Labor may exempt small businesses with less than 50 employees if the requirements would jeopardize the viability of the business. Health care providers and employers of emergency responders may also be exempted.

Question: What are the employer requirements?

- **Answer:** Employers must offer 10 days of emergency paid sick leave for employees who cannot work or telework because of COVID-19, including employees who are:
 - 1) Subject to a Federal, state, or local quarantine or isolation order;
 - 2) Advised by a doctor to self-quarantine;
 - 3) Experiencing symptoms of COVID-19;
 - 4) Caring for an individual in a quarantined or isolation area; or
 - 5) Caring for a son or daughter if a school or daycare has been closed due to COVID-19 precautions.
- If the employee is sick, then the employer must replace all of the employee's wages up to a maximum of \$511 per day, up to a maximum of \$10,000.
- After two weeks, employers must replace 2/3 of the employee's wages—up to \$200 per day—if the employee is caring for their son or daughter if a school or daycare has closed due to COVID-19.

Question: How long does an employee have to be employed for the benefit to apply?

- **Answer:** An employee must be employed by an employer for at least 30 calendar days to use paid family leave. Employees are immediately eligible for emergency sick leave upon employment.

Question: Are hourly workers covered?

- **Answer: Yes,** they are covered to the extent that their employer is mandated to provide leave. For emergency sick leave, full-time employees are entitled to 80 hours or 10 days of leave.
 - Part-time employees are entitled to the typical number of hours that they work in a typical two-week period.

Question: Will tax credits help defray the costs for employers?

- **Answer: Yes.** Both the paid sick leave and paid family leave provisions provide for a refundable payroll tax credit to employers to cover 100 percent of the cost of wages and health insurance premiums paid during the leave.

Question: When will employers receive this tax credit?

- **Answer:** Because the credit is against payroll tax, employers will receive the credit immediately, instead of making their full payroll tax deposits.

Question: Are sole-proprietors/self-employed workers or those in the gig economy eligible for the tax credit?

- **Answer: Yes.** The legislation ensures that self-employed and gig economy workers receive the credit. For the days they cannot work, they can claim a tax credit of up to \$200 a day, for up to ten days; or their average daily self-employment income, for up to ten days—whichever is lower.

Question: When will self-employed and gig economy workers receive this tax credit?

- **Answer:** Self-employed and gig economy workers receive the credit immediately by reducing their estimated quarterly tax payments.