

An Overview of the Federal Coronavirus Stimulus Provisions Relevant to Family- Led Organizations

Presented by
The National Center for Parent Leadership, Advocacy, and
Community Empowerment (National PLACE)



Presenter

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Welcome to National PLACE!

Mission

- To educate and empower families and family-led organizations and support them to advocate for enhanced parent involvement and leadership in education, health and human services decision-making with regard to services for children and families.

Motto

- *Advocating to ensure the parents' PLACE at decision-making tables*

Disclaimer

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Webinar objective

To provide family-led, family-serving organizations with up-to-date, easy-to-understand, useful information about the components of Federal Coronavirus Stimulus legislation that impact them, either as an employer, or as a non-profit organization

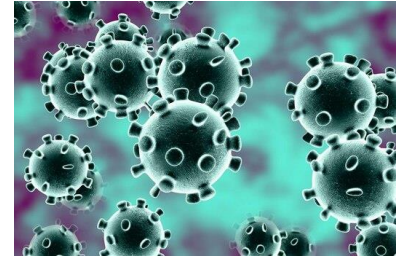
3 Stimulus Packages

Phase 1 (3/6/20): \$8.3 billion to fight the virus spread including \$4 billion for testing & \$1 billion in small business loan subsidies

Phase II (3/19/20): \$100 billion for free testing, 2 weeks of paid sick & family leave, increased funding for Medicaid & SNAP, & increased unemployment insurance benefits

Phase III (3/26/20): \$2 trillion including \$250 billion in direct payments to taxpayers, \$350 billion in small business loans, \$250 billion in UI

Key Components of Federal Stimulus Legislation



- Employee Benefits
 - Emergency Paid Sick Leave
 - Emergency Paid Family/Medical Leave
 - Enhanced Unemployment Insurance
- Benefits for Non-Profits
 - Payroll tax credits
 - Paycheck Protection Program Forgivable Loans
 - Charitable Contribution Enhancements

Benefits for Employees



Emergency Paid Sick Leave



Emergency Paid Sick Leave

Who Must Comply?

- Employers with < 500 (or 50 or > employees for childcare leave provision)
- Includes non-profits as well as for-profits and most government agencies

Who is covered?

- Full and part-time employees
- Current and new employees
- Unionized and non-unionized employees

Emergency Paid Sick Leave

What is covered?

- Up to 2 weeks to cover leave between 4/1-12/31:
 - ***Care for oneself or a loved one*** for quarantine ordered by a public health official or recommended by a healthcare provider; illness or symptoms (seeking a medical diagnosis), or school/child care closure of the employee's child < 18 years old
 - ***In addition to existing employer policy/any existing leave***; can't be required to use existing accrued leave before using emergency paid sick leave
 - Full wages (up to \$511/day) for self; 2/3 pay (up to \$200/day) for ill loved one or child due to closures

Emergency Paid Family/ Medical Leave



Emergency Paid Family/ Medical Leave

Who Must Comply?

- Employers with < 500 (or 50 or > employees for childcare leave provisions)
- Includes non-profits as well as for-profits and most government agencies

Who is covered?

- Full and part-time employees who have been employed 30 or more days
- Unionized and non-unionized employees

Emergency Paid Family/Medical Leave

What is covered?

- ***Up to 12 weeks leave*** (job-protected for employers with at least 25 employees) between 4/1-12/31, to care for their child under age 18 because the school or place of care is closed, or the child care provider is unavailable
- ***In addition to existing employer policy/any existing leave***; can't be required to use existing accrued leave before using emergency paid family/medical leave
- ***First 10 days/2 weeks may be unpaid; may use paid sick leave to cover this time***; 2/3 of regular wages, maximum of \$200/day

Unemployment Insurance



Enhanced Unemployment



What are my unemployment benefits if I lost my job due to the coronavirus?

You get unemployment insurance for

39 weeks

That's 13 more weeks than usual in most states.

You also get a federal boost of

\$600/wk

These extra benefits stop after July 31, 2020.

Eligible workers now include:

Independent Contractors, Gig Workers, Freelancers, Furloughed Workers

Pandemic Unemployment Assistance

Provides for ***up to 39 weeks of benefits to individuals who are self-employed, seeking part-time employment, or otherwise would not qualify for regular unemployment compensation (UC) or extended benefits under state or federal law*** or Pandemic Unemployment Compensation (PEUC) under section 2107. Coverage includes individuals who have exhausted all rights to regular UC or extended benefits under state or federal law or PEUC, from 1/27/20-12/31/20

Pandemic Unemployment Compensation

Provides individuals who are collecting regular unemployment compensation with an additional \$600 per week through 7/31/20.

Provides for up to 13 weeks of benefits to individuals who have exhausted regular UC under state or federal law, have no rights to regular UC under any other state or federal law, and are able to work, available for work, and actively seeking work. However, states must offer flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction, through 12/31/20.

Intersections



COVID-19 SCENARIOS & BENEFITS AVAILABLE

COVID-19 SCENARIOS	EARNED SICK LEAVE	UNEMPLOYMENT INSURANCE	TEMPORARY DISABILITY/FAMILY LEAVE INSURANCE	WORKERS' COMPENSATION
1 A person who has COVID-19, or symptoms of COVID-19	✓	✗	✓	?
2 Worker was unable to work because of school or daycare closed for a public health reason	✓	✗	✗	✗
3 Worker was exposed and quarantined. Business remains open.	✓	✗	✓	?
4 A person who is out of work because employer voluntarily closed	✗	✓	✗	✗
5 A person who is out of work because employer was ordered closed	✓	✓	✗	✗
6 Worker has less hours available due to business slow down or lack of demand	✗	✓	✗	✗
7 Employer stays open in defiance of public health urging to close, and worker refuses to work	✓	?	✗	✗
8 Worker is afraid of gathering in a group and refuses to go to work (self-distancing)	✓	✗	?	✗
9 Worker is immune-compromised and advised by healthcare provider to self-quarantine	✓	✗	✓	✗
10 Health care worker exposed at work and self-quarantined	✓	✗	✓	✓
11 Worker is caring for a sick family member	✓	✗	✓	✗

✓ YES | ✗ NO | ? MAYBE
(CASE BY CASE)



NJ.GOV/LABOR

The information on this flier is meant to give a general picture of benefits and rights available in certain COVID-19 work-related situations. Documentation may be required.

CREATED: 3.16.2020

Example # 1

Your employee can't work because s/he has to watch their child due to school/child care closure or unavailability of childcare provider.

- Pay your employee for 2 weeks of paid sick leave at 2/3 their rate of pay, capped at \$200/day.
- Then pay your employee for 12 weeks of emergency family & medical leave; 1st two weeks are unpaid but your employee can cover that with the 2 weeks of paid sick leave; pay them at 2/3 their rate of pay, capped at \$200/day
- If your employee still cannot return to work, they can apply for unemployment benefits which includes the state level of benefits plus an additional \$600/week through July

Example # 2

Your employee can't work because s/he is ill with COVID-19.

- Pay your employee 2 weeks of paid sick leave, at their regular rate of pay, capped at \$511/day and a total of \$5,110
- Then pay your employee any additional paid sick leave that is part of your regular personnel policies
- If your employee still cannot return to work, they can receive up to 39 weeks of unemployment insurance which includes the state level of benefits plus \$600/week through the end of July, OR temporary disability insurance per doctor's assessment of employee's medical needs

Example # 3

Your employee can't work because s/he is caring for a loved one who's ill with COVID-19

- Pay your employee for 2 weeks of sick leave at 2/3 their rate of pay capped at \$200/day
- Then pay your employee for any other relevant sick or family leave provided in your personnel policies
- Then your employee can apply for unemployment insurance which includes the state level of benefits plus an additional \$600/week through the end of July
- Then if your state has family leave insurance/paid family leave, your employee can access those benefits

Benefits for Non-Profits



Payroll Tax Credits



Payroll Tax Credits

- Employers paying for mandated paid sick and family and medical leave can claim a ***refundable tax credit against the employer portion of payroll taxes equal to the amount they are paying employees***
- Any paid leave costs that exceed the amount of payroll taxes owed will be refundable to the employer at the end of each quarter

Example #1

Payroll tax credit

You have to pay 3 employees 2 weeks of emergency paid sick time for their own illness; and 5 employees emergency paid family & medical leave for 10 weeks to care for family members who are ill or whose children are home.

- You claim a refundable tax credit against your portion of payroll taxes as follows:
 - $\$511/\text{day} \times 10 \text{ days} \times 3 \text{ employees} = \$15,330 \text{ max} +$
 - $\$200/\text{day} \times 50 \text{ days} \times 5 \text{ employees} = \$50,000 \text{ max}$
 - Total refundable tax credit = \$65,330

Examples #2-3

You paid \$5,000 in sick leave and are otherwise required to deposit \$8,000 in payroll taxes, including taxes withheld from all your employees. You can use up to \$5,000 of the \$8,000 of taxes you were going to deposit for making qualified leave payments. You would only be required under the law to deposit the remaining \$3,000 on your next regular deposit date.

You paid \$10,000 in sick leave and are required to deposit \$8,000 in taxes. You can use the entire \$8,000 of taxes to make qualified leave payments and file a request for an accelerated credit for the remaining \$2,000.

Paycheck Protection Program



Paycheck Protection Program

Who is eligible?

- Employer with <500 employees including non-profits
- Good faith certification of a need for the loan due to economic conditions

What is covered?

- 2.5 x average monthly payroll costs (employee salaries, payroll taxes, and benefits) from the year prior to the date of application (or \$10 million, whichever is less)

Paycheck Protection Program

What is the application process?

- Apply at your local financial institution
- You can use the sample form at the SBA website – it includes calculations of loan request, FTE employees, and needed certifications including commitment to maintain # of FTEs and payroll through 6/30/20
- No collateral or personal guarantee required
- Upload completed application online

Paycheck Protection Program

What happens after loan approval?

- *Must use the loan for the 8 weeks following the loan:*
 - Payroll costs (at least 75%)
 - Mortgage interest payments, rent, utilities (no more than 25%)
- Loan terms: 1% annual interest rate, 1st six months of payment automatically deferred, 2 year term
- *Loan is forgiven (becomes a grant) if you can demonstrate you spent it to maintain staff & payroll (or hire laid off staff back) by 6/30/20*

Example #1

Paycheck Protection Program – 2 months

You have legitimate concerns about your ability to maintain staff due to potential loss of foundation funding, paying staff who are not able to work at home, etc. Your average monthly personnel costs over the past year is \$35,000.

- You submit an application for a loan in the amount of \$87,500 (2.5 x monthly average)
- You use \$70,000 in the 8 weeks following the loan (\$52,500 for payroll, \$17,500 for rent and utilities); that amount of the loan becomes a grant
- You repay \$17,500 plus \$29 interest (1/6th of 1%)

Example #2

Paycheck Protection Program Loan – 2 years

You have legitimate concerns about your ability to maintain staff due to potential loss of foundation funding, paying staff who are not able to work at home, etc. Your average monthly personnel costs over the past year is \$35,000.

- You submit an application for a loan in the amount of \$87,500 (2.5 x monthly average)
- You use \$70,000 in the 8 weeks following the loan (\$52,500 for payroll, \$17,500 for rent and utilities); that amount of the loan becomes a grant
- You repay \$17,500 plus \$350 interest (1%/year) after 2 years

Paycheck Protection Program

But wait!

- Loans were to be available Friday, 4/3
- Administration said “any FDIC institution” could lend, BUT most are only accepting applications from their current customers (and some only if they already have a lending relationship such as a line of credit)
- Most lenders were not prepared, many still aren't
- Wells Fargo exhausted its funds by Sunday 4/5
- Some banks (eg, Truist) are not participating

Other Loans

Expanded EIDL & Emergency SBA Loans

- Normal EIDL loans available up to \$2 million; EIDL advances of \$10,000 paid within 3 days to cover paid sick leave, meeting payroll, increased costs due to disrupted supply chain, etc.
- Waives personal guarantee up to \$200,000, and requirement of inability to get credit elsewhere
- 2.75% interest rate
- \$10,000 advance treated as a grant
- Covers period of 1/31/20-12/31/20

Charitable Contributions



Charitable Contributions

- Above the line contributions
 - Taxpayers can take an “above-the-line” deduction of up to \$300 (\$600 for married couples) of charitable contributions
 - Taxpayers who don’t itemize their deductions will be able to deduct up to \$300 on top of the standard deduction
- Unlimited contributions
 - Deductions for charitable contributions are normally limited to 60% of the taxpayer’s income
 - For 2020, this limitation has been removed, effectively allowing taxpayers to donate 100% of their 2020 income to charity and receive a deduction for the full amount
- Corporate contributions
 - May give up to 25% of taxable income, up from 10%

Attachments

US DOL Poster Paid Leave Provisions

NJ DOL Analysis of Leave Provisions

CARES Unemployment Provisions

Paycheck Protection Loan Guide

Loans Available to Nonprofits Under CARES Act



General Resources

National Council of Nonprofits:

www.councilofnonprofits.org/trends-policy-issues/what-the-families-first-coronavirus-response-act-means-nonprofits and

<https://nonprofitquarterly.org/how-nonprofits-can-utilize-the-new-federal-laws-dealing-with-covid-19/>

NY Times Q&A:

www.nytimes.com/article/coronavirus-stimulus-package-questions-answers.html



LINKS & RESOURCES

Paid Sick & Family/Medical Leave

Employee Fact Sheet:

www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave

Employer Fact Sheet:

www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave

Question & Answers:

www.dol.gov/agencies/whd/pandemic/ffcra-questions

Poster:

www.dol.gov/sites/dolgov/files/WHD/posters/FFCRA_Poster_WH1422_Non-Federal.pdf



Unemployment Insurance Benefits

Department of Labor Unemployment Insurance
Guidance to States:

https://wdr.doleta.gov/directives/attach/UIPL/UIPL_14-20.pdf

Summary of Unemployment Provisions:

https://wdr.doleta.gov/directives/attach/UIPL/UIPL_14-20 Attachment Acc.pdf



Payroll Tax Credits

Tax Credits for Required Paid Leave FAQs:

www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs#basic

How to Claim the Credits: [www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs#how to claim](https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs#how%20to%20claim)



Paycheck Protection Program

SBA Q&A: www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp

Summary from Treasury Department:

<https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>

Q&A from Treasury Department:

<https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>

Borrower form:

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>



Loan Options

National Council of Nonprofits Loan Options Chart:
www.councilofnonprofits.org/sites/default/files/documents/cares-act-loan-options-for-nonprofits.pdf

National Council of Nonprofits Webinar:
<https://www.youtube.com/watch?v=2yTDrfAdQVM>

Q&A from Treasury Department:
<https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>



RESOURCES

Charitable Contributions

Forbes Magazine “New Universal Tax Break for Charitable Deductions:”

www.forbes.com/sites/ashleaebeling/2020/03/25/new-universal-tax-break-for-charitable-donations-included-in-updated-2-trillion-covid-19-stimulus-bill/#392c734f66a2



National Council of Nonprofits Coronavirus Resources:
www.councilofnonprofits.org/nonprofits-and-coronavirus-covid-19

Find Your State Nonprofit Association:
<https://www.councilofnonprofits.org/find-your-state-association>

Tell Your Story...

The National Council of Nonprofits wants to hear your story about trying to secure a Paycheck Protection Program loan. Go to www.councilofnonprofits.org/tell-us-your-experience-the-getting-loan-through-the-paycheck-protection-program

Questions and Answers



Coming up...for members only

A Deeper Dive into Federal Stimulus Package Impact on Family-Led Non-Profits – April 15th, 11:00 am – 12:00 pm

Ensuring Services and Supports for Children and Families: Guidance from US Departments of Education, Health and Human Services, and Labor: Parts I and II – April 22nd, 11:00 am-12:00 pm, and April 29, 11:00 am – 12:00 pm



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www.parentsatthetable.org/join-us

