



Helpful Info regarding Certain Provisions Found in the Recent Coronavirus Relief Legislation

Emergency Paid Sick Leave:

Employers (this is essentially ALL private employers) are now required pay up to two weeks of sick pay to current full-time or part-time employees who, are unable to work (either in the office or from home) because the employee:

- Is subject to a Federal, State, or local quarantine and/or isolation order related to COVID-19;
- Has been advised by a health-care provider to self-quarantine due to concerns related to COVID-19;
- Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- Is caring for an individual who falls into one of the categories above;
- Is caring for a son or daughter of such employee (if the school or place of care of the son or daughter has been closed, or the childcare provider of such son or daughter is unavailable) due to COVID-19 precautions;
- Is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

An employee is eligible for EPSL payments regardless of how long he/she has been employed by the employer.

This compensation is only available until the employee is able to resume work (either in the office or from home) and is subject to hour limitations. For full-time employees, the paid leave described above is limited to 80 hours (10 days). For part-time employees, it is limited to the average number of hours the employee works over a two-week period.

Churches are encouraged to consult their tax professional about certain dollar-amount limitations that may be pertinent to their situation.



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Emergency Family Medical Leave:

Employers (this is essentially ALL private employers under 500 employees...no longer just those over 50) pay a portion of the salary of certain eligible employees who are unable to work (either in the office or from home) because the school or place of care at which their child attends has been closed, or the child care provider is unavailable due COVID-19. EFML provisions also require most employers to ensure that the employee will be able to return to work in an equivalent position.

In order to qualify for EFML benefits, the employee must have been employed for at least 30 calendar days by the employer. EFML benefits cover leave for 12 weeks. The first two of these weeks are not paid under EFML (they would, generally, be covered under the EPSL provisions discussed above).

After the first two weeks of leave, the employer is mandated to pay eligible employees at least two-thirds of the employee's regular rate of pay times the number of hours the employee would otherwise be normally scheduled to work. This is subject to a \$200 per day limit, and a \$10,000 total limit.

Dollar for Dollar Credit for Payroll Taxes:

The monies expended by employers to comply with the Emergency Sick Leave and/or the Emergency Family Medical Leave are to be recouped by making dollar for dollar deductions in the amounts normally paid in Payroll Taxes. Consult your tax professional for the details of this tax credit and how it is to be implemented.

The CARES Act:

Changes to Unemployment Compensation:

The ACT expands the available unemployment compensation:

- Employees who are laid off are entitled to a flat \$600 per week more than they were before.
- More importantly for church employees, individuals who typically are not covered by unemployment (e.g., most employees of churches and other independent contractors) are now eligible for unemployment benefits (even if their church employer had not contributed to the state unemployment program).



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Deferral of Employers' FICA contributions:

Employers may be eligible to defer making the employers' normal FICA contributions. This deferment extends through the rest of 2020. (**Important Note:** Churches cannot take advantage of both this deferral and the Payroll Protection Program)

The "Paycheck Protection Program":

This (PPP) makes loans available to churches to cover up to 2.5 months of the organization's "payroll costs" (i.e., salaries and other compensation, employer-paid health and retirement benefit and certain payroll taxes).

The loan proceeds may be used for making payroll, paying employee benefits and leave compensation, paying mortgage interest, rent and utilities.

The loans under the PPP are potentially 100% forgivable (provided the various conditions placed on the monies are met, the loans essentially become federal grants).

*It is important to understand that these relief packages were rushed through congress at a break-neck speed. As a result, we are all learning in real-time what is in the packages, how they are intended to work, and how they will actually be implemented. The information provided here is accurate at the time provided. However, as additional guidance is received we may need to update this information (and we will do so).

That said, the information provided here is provided as a courtesy. It is not to be the substitute for legal advice or the advice of a tax professional. Churches are encouraged to seek personalized advice from their own legal/tax professionals (to ensure the decisions they make are both legally valid and the most advantageous for them in their context).