



March 24, 2020

One of our members, Dave McCormack - Attorney with Axley Brynson LLP, has prepared the following information related to employment issues related to COVID-19.

Our thanks to Dave for putting this together for our members!

Dear WLCA Members,

As an attorney, one of the things I do is advise businesses with regard to employment law. This has been a hectic several days as we all try to keep up with the ever changing business and employment environment in the wake of COVID-19. I'd like to share some of the employment developments I am following. As always, be sure to consult with an attorney with questions specific to your own business.

On Friday, March 20th the U.S. Dep. of Labor and the U.S. Dep. Of Treasury issues two press releases explaining the provision of payroll tax credits available for COVID-19 related leaves. Links to each press release are provided below.

The Dep. Of Labor release states: "The legislation will enable employers to keep their workers on their payrolls, while at the same time ensuring that workers are not forced to choose between their paychecks and the public health measures needed to combat the virus."

The following is a list of "Key Takeaways." The Act will take effect on April 2, 2020.

Key Takeaways

- Paid Sick Leave and Expanded Child Care for Workers
For COVID-19 related reasons, employees receive up to 80 hours of paid sick leave and expanded paid child care leave when employees' children's schools are closed or child care providers are unavailable.
- Complete Coverage

Employers receive 100% reimbursement for paid leave pursuant to the act.

- o Health insurance costs are also included in the credit.
- o Employers face no payroll tax liability.
- o Self-employed individuals receive an equivalent credit.

- Fast Funds

Reimbursement will be quick and easy to obtain.

- o An immediate dollar-for-dollar tax offset against payroll taxes will be provided
- o Where a refund is owed, the IRS will send the refund as quickly as possible.

- Small Business Protection

Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed or child care is unavailable in cases where the viability of the business is threatened.

<https://www.dol.gov/newsroom/releases/osec/osec20200320>

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>

Additional guidance from both federal and state agencies is expected this week. Stay tuned.

Dave McCormack, Axley & Brynelson, LLP 262-244-9093 d.mccormack@axley.com

David C. McCormack
Phone: 262.244.9093
Axley Brynelson, LLP