



Paid Sick Leave due to COVID-19

Answers to some questions we have been receiving from clients

1) When can I start paying laid off employees under the new FFCRA Act?

Eligible employees can start being paid sick leave wages beginning April 1st. This does not apply to wages or payroll related payments for hours earned prior to April 1st but not paid until after April 1st. In some cases, it might require the use of more than one pay code to separate the hours during one pay period.

2) Which employees are eligible?

The following is the criteria established as part of the Act:

Under the FFCRA, an employee qualifies for paid sick time if the employee is unable to work (**or unable to telework**) due to a need for leave because the employee:

Leave Reasons:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or
6. is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

Under the FFCRA, an employee qualifies for expanded family leave if the employee is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19.

3) How do I report this time to ELM?

Since the FFCRA act has both daily hour and pay limits we will need the hours reported by day specifying which are for the Sick Leave and which are for the Expanded FMLA. Those will be paid under special pay codes that will recognize the hour and pay limits required in the FFCRA. You will not have to calculate those adjustments yourself since the payroll system will recognize the

daily limits and make any necessary adjustments. If you enter the time yourself on-line we will provide instructions on what pay codes to use and how to enter the time.

4) Will the hours/pay be tracked so I won't go over the maximum allowed limit?

Yes, our system will track and if necessary, stop the payment of wages that exceed the maximum threshold. Please note: there is both a daily max and a total max under this law. In order for the system to accurately track the daily max limit, time will need to be reported by the day vs. the week. We are leaving this up to your discretion as to how you would like to report the wages. However, the system and ELM will not be able to track any daily overages if pay is not reported by the day.

The following is a breakdown on how pay is calculated along with the daily and cumulative maximum:

Duration of Leave:

For reasons (1)-(4) and (6): A full-time employee is eligible for up to 80 hours of leave, and a part-time employee is eligible for the number of hours of leave that the employee works on average over a two-week period.

For reason (5): A full-time employee is eligible for up to 12 weeks of leave at 40 hours a week, and a part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

Calculation of Pay:

For leave reasons (1), (2), or (3): employees taking leave shall be paid at either their regular rate or the applicable minimum wage, whichever is higher, up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).

For leave reasons (4) or (6): employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$2,000 in the aggregate (over a 2-week period).

For leave reason (5): employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$12,000 in the aggregate (over a 12-week period—two weeks of paid sick leave followed by up to 10 weeks of paid expanded family and medical leave).

5) How will I receive my tax credits from ELM?

We have worked hard, along with our payroll software company, to make this process as smooth and quick as possible. The system will automatically calculate these amounts and will issue you a credit on that invoice. You won't have to wait to get your refund. It won't require any paperwork on your end and most importantly it won't require you to do any tax payment adjustments. We will handle all that for you. If your pre-credit invoice is \$10,000 and you have \$5,000 in credits. You will only pay ELM \$5,000 and we do the rest. If your credits exceed your invoice amount, we will accrue that excess and automatically apply it to your next payroll invoice.