



EMPLOYMENT LAW ALERT

Real Time Updates: Stimulus, DOL Guidance

Change is the only constant has never been truer. The Department of Labor (DOL) has just released important guidance on the FFCRA (below). The Stimulus Bill is still being drafted but there are areas that have been agreed upon by all parties. As the text of the bill has not been released yet we would urge you to wait a few days before formulating a company wide response to the current economic conditions. We are updating our [FFCRA Compliance Package](#) in real time so that you can easily incorporate changes to your workplace. [Check it out.](#)

Here is what we believe the **Stimulus bill** will include so far:

- **\$500 billion loan program for large businesses:** Emergency loans for both large businesses and municipalities. There will be an inspector general who will oversee these funds and a congressional oversight panel to examine how the money will be used. Businesses controlled by the President, members of Congress, Executive Department heads, and their families will not qualify.
- **Unemployment Insurance:** The new bill will increase unemployment insurance by \$600 per week for 4 months. The money is in addition to what states pay as a base unemployment salary. This benefit will also extend to gig economy workers, freelancers, and furloughed workers.
- **Healthcare Funds and Protections:** The latest bill will contain \$150 billion for hospitals treating coronavirus patients, \$100 billion will go to hospitals, \$1 billion to Indian Health Service, and the remainder to increase medical equipment capacity.
- **Aid to State and Local Governments:** \$150 billion would be allocated for governments who are dealing with the impacts of the crisis.
- **Direct Payments to Adults below a Certain Income Threshold:** One time checks of \$1,200 to adults making \$75,000 or less, according to past tax returns. A \$500 payment for each child in a household.
- **Loans to small businesses:** \$367 billion in the bill aimed at providing loans for small businesses. The bill would ensure the Small Business Administration could serve as a guarantor for loans of up to \$10 billion for small businesses to ensure they can maintain their payrolls and pay off their debts. Other news reported there would be \$350 billion that would establish lending programs for

small businesses, but only for those who keep their payrolls steady through the crisis. Small businesses that pledge to keep their workers would also receive cash-flow assistance structured as federally guaranteed loans. If the employer continued to pay its workers for the duration of the crisis, those loans would be forgiven.

- **Limits on Stock Buybacks:** legislation included a ban on stock buybacks for any company receiving a government loan from the stimulus package. The ban lasts the term of the government assistance plus 1 year.
- **Other funding:** \$30 billion in emergency education funding, \$25 billion in emergency transit funding and creates an employee retention tax credit to incentivize businesses to keep workers on payroll during the crisis.

Department of Labor Guidance on FFCRA

Here are key changes and guidance from the DOL from an [FAQ](#) just issued:

- The effective date of the FFCRA paid leave provisions are April 1, 2020 not April 2
- Guidance on calculating the 500 employee threshold have been provided, including joint employers and part time workers
- Overtime must be included in pay calculations
- Paid sick leave (PSL) cap is 80 hours
- PSL and FMLA run concurrently and are not retroactive.

We can help. Please do not hesitate to reach out.

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