

# COVID-19 EMPLOYER TOOLKIT

Employers and workers are in uncharted territory in responding to and planning for COVID-19. Everyone is balancing how to stay safe while continuing business operations. This online toolkit will help your business with the latest and most relevant information, and will provide answers to some of the most frequently asked questions. We will continue to update this with new information as these issues develop.

## • SMALL BUSINESS RELIEF LOANS •

Small businesses are among the hardest hit in this crisis. As a result, the U.S. Chamber of Commerce has put together a comprehensive Coronavirus Small Business Guide that breaks down the newest federal programs and aid for small businesses and step by step guides for applying for SBA assistance. Additional guides have been published by the SBA and by the U.S. Senate Committee on Small Business & Entrepreneurship.

- ➔ U.S. Chamber of Commerce [Coronavirus Small Business Guide](#)
- ➔ The U.S. Small Business Administration [Small Business Guidance & Loan Resources](#)
- ➔ WMC [Summary of CARES Act](#)

## • UNEMPLOYMENT INSURANCE •

One of the most asked about topics is Unemployment Insurance. Employers want to know what is available for workers they have to layoff or furlough, and workers obviously want to know how to apply to receive assistance for their families. Current Wisconsin law provides a maximum benefit of \$370 per week for benefits, and the federal CARES Act provides an additional \$600 per week in temporary additional benefits until July 31, 2020.

- ➔ WI Department of Workforce Development [Unemployment COVID-19 Public Information](#)
- ➔ WMC [Summary of CARES Act](#)

## • FEDERAL PAID LEAVE CHANGES •

The **Families First Coronavirus Response Act (FFCRA)** provides new paid sick leave benefits for employees of companies with less than 500 employees, new FMLA benefits for some employees to care for children now home from school due to COVID-19, and more. To help everyone with compliance, the Department of Labor has issued extensive guidance on the FFCRA. DOL also has a page established with additional resources, such as HR posters that contain information employers are now required to post.

- ➔ WMC [Summary of the Family First Coronavirus Response Act](#)
- ➔ DOL [Guidance Families First Coronavirus Response Act: Questions and Answers](#)
- ➔ DOL [COVID-19 and the American Workplace](#)

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## COVID-19 RAPID RESOURCE TEAM

WMC Staff stands ready to assist you with your COVID-19 questions. Please reach out to the following with your questions for assistance.

### CHRIS READER

HR, Health Care, Workforce Questions  
Senior Director of Workforce &  
Employment Policy  
creader@wmc.org

### CORY FISH

Tax, Logistics, Legal Questions  
General Counsel and Director of Tax,  
Transportation & Legal Affairs  
cfish@wmc.org

### BRITTANY ROCKWELL

Small Business, SBA Questions  
Director of Small Business Advocacy  
brockwell@wmc.org

**WMC**  
Wisconsin's Chamber



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## • WORK SHARE •

**Work Share.** A current state solution to help employers avoid layoffs is the work share program. Under work share, employers are able to retain staff by keeping a work unit, typically of 20 or more workers, employed at reduced hours, and the workers are able to receive unemployment benefits for the portion of hours they had reduced. WMC has also asked lawmakers to consider easing the requirements so small employers are also able to utilize the program. See the DWD Fact Sheet to determine your eligibility.

➔ DWD [Work Share Fact Sheet](#)

## • FEDERAL CARES ACT SUMMARY •

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed by President Trump on March 27, 2020 to provide direct financial relief to businesses and employees. It includes items like loans for small businesses, changes to SBA loans, payments to individuals, expanded unemployment benefits, work share benefits, and paid leave changes.

➔ WMC [Summary of CARES Act](#)

➔ WMC [Business Related Tax Provisions in the CARES Act](#)

➔ U.S. Senate Committee on Small Business & Entrepreneurship [Small Business Owner's Guide to the CARES Act](#)

## • STATE RESPONSE •

Wisconsin Department of Health Services Secretary Andrea Palm issued the statewide “Safer at Home” order on March 24. The order defines which industries are considered “essential” and may therefore remain open. WEDC has been the lead state government agency for helping businesses understand what the order means for employers.

➔ Governor Evers [Shelter in Place Order](#)

➔ US Dept. of Homeland Security [Guidance on Critical Infrastructure Workers](#)

➔ WEDC [COVID-19 Business Resources](#)

➔ WEDC [“Safer at Home” Information and Essential Business Determinations](#)



# COVID-19 EMPLOYER TOOLKIT

## • WMC RESOURCES •

WMC is leading the way on relief and recovery policy in the state. We released a comprehensive agenda to address economic continuity, business liquidity, employee assistance, regulatory & liability relief, transportation & logistics, and health care priorities.

- ➔ WMC [Relief & Recovery Agenda](#)
- ➔ WMC [Employer Resources and Infographics](#)
- ➔ WMC [Summary of the Family First Coronavirus Response Act](#)
- ➔ WMC [Summary of CARES Act](#)
- ➔ WMC [Business Related Tax Provisions in the CARES Act](#)

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## FREQUENTLY ASKED QUESTIONS

WMC has been fielding many questions from employers. We are answering these all as best and as quickly as we can, as we know employers are making decisions daily about their operations and compliance. Here are some of the most frequently asked questions.

### **How do the SBA “Paycheck Protection” forgivable loans work?**

The loans are available until June 30th of this year for small businesses to cover their cost of payroll, health care benefits, mortgage interest, rent, utilities, and interest on debt incurred prior to the loan.

Loans can be made for up to the lesser of either \$10 million or 2.5-times the average total monthly payroll costs of the borrower. The loan has a maximum 10-year term, and the interest rate may not exceed 4%. Unlike the SBA disaster relief loans, which are done directly through the SBA, the CARES Act loans will be made through SBA-approved lenders.

A borrower is eligible for loan forgiveness for the portion of the loan that is spent during the eight-week period after the origination date on rent, payroll, mortgage interest, and utilities. The borrower is required to document all of these expenses to be eligible for forgiveness.

Importantly, the amount of the loan forgiveness will be reduced if the borrower reduces the number of employees, or salaries/wages during the eight-week period following the origination of the loan. This is meant to serve as an incentive for businesses to maintain their employees and payrolls. However, this loan forgiveness “penalty” doesn’t apply if the borrower restores their workforce count and salaries/wages by June 30, 2020.

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## FREQUENTLY ASKED QUESTIONS (cont'd)

The FFCRA established new paid sick leave and paid FMLA for certain workers starting April 1.

### Who is eligible for the new benefits?

All employees of employers with fewer than 500 workers are generally eligible for the new paid sick leave benefits. Employees who been employed with the company for at least 30 days are eligible for the new FMLA benefits.

General eligibility for workers:

1. Subject to a federal state, or local quarantine or isolation order for COVID-19.  
*(NOTE: a statewide order like WI's "Safer at Home" order does not trigger this criteria.)*
2. Has been advised by a health care provider to self-quarantine.
3. Is experiencing symptoms and is seeking a medical diagnosis.
4. Is caring for an individual who is subject to (1) or (2).
5. Is caring for their child home due to a school or daycare closure related to COVID-19.
6. Has other similar conditions specified by U.S. HHS.

### What are the new paid sick leave and FMLA benefits?

**Sick Leave:** Up to two weeks (80 hours) of paid leave for qualified workers. Payable at 100% of regular wages, up to \$511/day, \$5,110 total.

**FMLA:** Up to 10 weeks of paid leave, on top of the 2 weeks of paid sick leave, payable at 2/3 regular wages, up to \$200 daily/\$12,000 total. This applies only for criteria #5, caring for a child home due to school or daycare being closed because of COVID-19.

### Do employers have to foot the bill for the new paid sick leave and FMLA benefits?

Generally yes, employers with workers who are eligible for the new benefits must pay for them. However, the employer will receive a tax credit offset against their owed social security taxes at the next quarter to cover the expense, as well as the expenses they incur to continue to provide health insurance to those workers.

### If an employee is able to work remotely, are they still eligible for the paid leave?

No. If a worker can complete their work remotely while at home for the reasons outlined above, they are not eligible for the new benefits and should not be placed on leave.

### Does the Wisconsin "Safer at Home" order mean that workers of non-essential businesses are eligible for the new paid sick leave and new FMLA?

No. The Department of Labor has issued guidance that a government order like the "Safer at Home" emergency order does not trigger the benefits under eligibility #1.

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## FREQUENTLY ASKED QUESTIONS (cont'd)

### What employers does Governor Evers' "Safer at Home" apply to?

"Essential" employers are not required to cease operations during this crisis. They are required though to do their best to practice healthy practices, such as social distancing at work, avoiding group meetings, etc. WEDC has a listing of "Essential" businesses at [www.wedc.org/essentialbusiness/](http://www.wedc.org/essentialbusiness/).

### When do the CARES Act unemployment benefits begin, who is eligible, and what is the amount?

Generally, individuals furloughed or laid off because of COVID-19 business closures or staff reductions are eligible for the new unemployment benefit. They are payable at \$600/week, on top of the unemployment benefits already offered through a state. In Wisconsin, the maximum amount is currently \$370. Eligibility begins on April 1, 2020.

### Can workers collect the new paid sick leave or FMLA while also collecting unemployment insurance benefits?

No. A worker will only be eligible for sick leave or FMLA, or unemployment benefits, not both.

### Is all leave under FMLA now paid leave?

No. The paid leave created in the FFCRA does not change traditional FMLA in any way.

### Are small businesses exempt from the requirement to provide paid sick leave or expanded FMLA leave?

Possibly. The law allows for an officer of a small business (fewer than 50 workers) to determine that the business is exempt if the benefits would cause expenses to exceed revenue, if the absence of a worker taking the benefits would threaten the financial health or operational capabilities of the business, or if there would not be sufficient workers able, willing, and qualified for the small business to operate. Further guidance from DOL is expected on this topic.

