

## **New rules for Paid Sick Leave and Paid Family Leave under the “Families First Coronavirus Response Act.”**

Under the Families First Coronavirus Response Act, paid medical and family leave have been expanded to help families deal with COVID-19 and related disruptions. The new policies are effective starting April 2, 2020.

ServiceTitan doesn't give legal advice, but we want our customers to be aware of these developments and to help them comply. This is a plain language summary of a complicated new law, and we only parts that we think are relevant to our customers. Consult your attorney if you have specific questions.

### ***New Family and Medical Leave and Paid Sick Leave***

#### *Who's Covered?*

Private employers with fewer than 500 employees company-wide. Businesses with fewer than 50 employees can apply for an exemption if these new provisions may jeopardize the viability of the business. As of right now, the process for seeking exemptions isn't finalized.

#### *Family and Medical Leave for COVID-19*

The Act extends the FMLA to employees unable to work (or telework) because they are caring for a minor son or daughter whose school is closed or whose childcare provider is unavailable.

#### *Paid Sick Leave for COVID-19*

The Act also includes paid sick leave. Covered employers must immediately make available 80 hours of paid sick leave for full-time employees<sup>1</sup> for:

1. employees subject to government quarantine.
2. employees advised by a healthcare provider to self-quarantine.
3. employees experiencing symptoms of COVID-19 and seeking medical diagnosis.
4. employees caring for an individual described in (1) or (2) above.
5. employees caring for a minor son or daughter whose school is closed or whose childcare provider is unavailable.
6. employees with any other substantially similar condition specified by certain government officials.

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<sup>1</sup> Part-time workers get the equivalent of two weeks at their average hourly schedule.

### *Amount of Pay*

Under the new Family and Medical leave provisions, the employer can provide the first 10 days of leave unpaid, then later absences must be paid at 2/3 the employee's regular rate of pay, capped at \$200 a day and \$10,000 in total. An employee can use vacation leave, personal leave, or medical/sick leave for any unpaid leave.

Under the new paid sick leave provisions, pay is at the employee's regular rate for items (1), (2), or (3) above; and two-thirds of an employee's regular rate for item (4), (5), or (6). Paid sick leave also is capped at \$511 per day and \$5,110 in total for items (1), (2), or (3); and \$200 per day and \$2,000 in total for items (4), (5), or (6).

### *Effective Date*

Both the proposed FMLA changes and the proposed paid sick leave take effect April 2, 2020.

### ***Frequently Asked Questions***

#### *Who pays for the sick time or leave?*

Employers must pay the benefits, but they will receive quarterly tax credits (including refundable credits) at up to 100%.

#### *Is the paid sick leave in addition to current leave provided by the employer?*

In effect, yes. An employer can't require an employee to use other paid leave before the paid sick leave provided under the Act.

#### *At what rate is the new paid sick leave accrued?*

There's no accrual. The entire 80 hours of paid sick leave (or less for part time employees) is available immediately.

#### *Which employees are eligible for these benefits?*

The new leave provision applies to employees of at least 30 calendar days. The usual FMLA thresholds and requirement don't apply. The paid sick leave requirements apply to all employees.

#### *Do I have to pay out unused emergency paid sick leave if an employee leaves or is terminated?*

No.

*Are these changes permanent?*

No. The changes are temporary and only relate to the effects of the coronavirus public health emergency. Obligations end on December 31, 2020.