

**OKAY.....NOW IT IS UP TO
YOU!!!!!!**

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FEDERAL GOVERNMENT ACTIONS

**FAMILY FIRST CORONAVIRUS RESPONSE ACT -EFFECTIVE 4/1/2020
THRU 12/31/2020**

Contains several separate Acts to help business:

EXPANDS FEDERAL FAMILY MEDICAL LEAVE

EMERGENCY SICK LEAVE

PAYROLL TAX CREFDITS FOR EMPLOYERS

EXPANDS FEDERAL FAMILY MEDICAL LEAVE

FORMERLY APPLIED TO ONLY COMPANY'S OVER 50 EMPLOYEES. THIS EXPANDS THE COVERAGE TO ALL EMPLOYERS WITH LESS THAN 500 EMPLOYEES

EMPLOYEES MUST HAVE BEEN EMPLOYED FOR AT LEAST 30 CALENDAR DAYS

PROVIDES JOB PROTECTED LEAVE FOR BOTH UNPAID AND PAID LEAVE FOR A MAX OF 12 WEEKS WHICH IS ONLY AVAILABLE IF THE EMPLOYEE IS UNABLE TO WORK OR TELEWORK DUE TO A NEED TO CARE FOR THEIR OWN CHILD UNDER 18 BECAUSE SCHOOLS OR PLACE OF CHILD CARE HAVE CLOSED.

FIRST 10 DAYS CAN BE UNPAID LEAVE AND THE EMPLOYEE CAN ELECT TO USE COMPANY PROVIDED ACCRUED BENEFITS

AFTER THE FIRST 10 DAYS EMPLOYERS GNERALLY MUST PAY FULL TIME EMPLOYEES AT 2/3 OF REGULAR PAY FOR AN AMT OF HOURS THE EMPLOYEE WOULD OTHERWISE NORMALLY BE SCHEDULED TO WORK FOR DURATION OF LEAVE. CAP OF NO MORE THAN \$20 DAY AND \$10,000 TOTAL

EMERGENCY SICK LEAVE

- EMPLOYEES DON'T HAVE TO WORK FOR AN EMPLOYER FOR ANY SPECIFIC TIME
- QUALIFYING NEED REASONS
 1. SUBJECT TO QUARANTINE OR ISOLATION ORDERS
 2. ADVISED BY HEALTH CARE PROVIDER TO SELF QUARANTINE
 3. EXPERIENCING SYMPTOMS OF VIRUS AND SEEKING MEDICAL DIAGNOSIS
 4. CARING FOR AN INDIVIDUAL SUBJECT TO QUARANTINE
 5. CARING FOR CHILD IF SCHOOLS AND PLACE OF CARE ARE CLOSED AND NO CHILDCARE AVAILABLE

1. IF QUALIFY UNDER 1, 2 AND 3:

IF ONE OF THESE THE PAY IS GREATER OF EMPLOYEE REGULAR RATE OR THE APPLICABLE MIN WAGE NOT MORE THAN \$511 DAY OR \$5100 IN TOTAL

1. IF QUALIFY UNDER 4 AND 5:

**2/3 OF GREATER OF EMPLOYEE REGULAR RATE OR MIN WATE
EMPLOYERS DO NOT HAVE TO PAY MORE THAN \$200 DAY OR
\$2000 IN TOTAL**

PAYROLL TAX CREDIT FOR EMPLOYERS

INCLUDES A SERIES OF REFUNDABLE TAX CREDITS FOR EMPLOYERS; THE GVT WILL EVENTUALLY PAY THE EMPLOYER BACK BUT THE EMPLOYER WILL HAVE TO SHOULDER THE COST UP FRONT BY TAKING DEDUCTIONS FROM THEIR QUARTERLY SOCIAL SECURITY TAXES

**FOR THE EXPANDED FAMILY MEDICAL LEAVE = 100% CREDIT
SUBJECT TO MAXIMUMS AND LIMITED BASED ON THE REASON FOR
THE USE OF THE EFMLA**

BUT SEE FUTURE SLIDES ON IMPACT OF THE CARES ACT JUST SIGNED

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT

**THIS IS THE NEW LAW SIGNED BY THE
PRESIDENT THIS WEEK**

**INTENDED TO ASSIST BUSINESS OWNERS
WITH WHATEVER NEEDS THEY HAVE RIGHT
NOW**

**NOT A LOT OF DETAILS AVAILABLE RIGHT NOW
BUT**

CORONAVIRUS AID, RELIEF AND ECONOMIC
SECURITY (CARES) ACT *SIGNED LAST WEEK*

PAYCHECK PROTECTION PROGRAM

EMERGENCY ECONOMIC INJURY GRANT

SMALL BUSINESS DEBT RELIEF PROGRAM

**FREE COUNSELING SOURCES TO HELP
NAVIGATE**

PAYCHECK PROTECTION PROGRAM (PPP)

PROVIDE CASH-FLOW ASSISTANCE TO EMPLOYERS WHO MAINTAIN THEIR PAYROLL DURING THIS EMERGENCY.

FORGIVENESS OF UP TO 8 WEEKS OF PAYROLL BASED ON EMPLOYEE RETENTION AND SALARY LEVELS

NO SBA FEES

AT LEAST 6 MONTHS OF DEFERRAL WITH MAX DEFERRAL UP TO A YEAR

**LOANS AVAILABLE THROUGH JUNE 30, 2020
RETROACTIVE BACK TO February 15, 2020**

SMALL BUSINESS DEBT RELIEF PROGRAM

**PROVIDE SMALL BUSINESS WITH NON-DISASTER SBA
LOANS**

COVERAGE FOR ALL LOAN PAYMENTS FOR 6 MONTHS

**ALSO APPLIES TO NEW BORROWERS WHO TAKE OUT
LOANS WITHIN 6 MONTHS OF PRESIDENT SIGNING THE
BILL INTO LAW**

ECONOMIC INJURY DISASTER LOANS & EMERGENCY ECONOMIC INJURY GRANTS

**PROVIDE AN EMERGENCY ADVANCE OF UP TO \$10,000 WITHIN 3
DAYS OF APPLYING FOR AN SBA ECONOMIC INJURY DISASTER
LOAN (EIDL)**

**ADVANCE DOES NOT NEED TO BE REPAID UNDER ANY
CIRCUMSTANCES**

**MAY BE USED TO KEEP EMPLOYEE ON PAYROLL, PAY FOR SICK
LEAVE, MEET INCREASED PRODUCTION COSTS DUE TO SUPPLY
CHAIN DISRUPTIONS, OR PAY BUSINESS OBLIGATIONS INCLUDING
DEBTS, RENT AND MORTGAGAGE PAYMENTS**

COUNSELING & TRAINING

FREE COUNSELING SUPPORT THROUGH ORGANICATIONS SUCH AS

SANTA CRUZ SMALL BUSINESS CENTER (SBDC)

WOMEN'S BUSINESS CENTER (WBC)

SCORE

THERE WILL SOON BE A JOINT PLATFORM THAT CONSOLIDATES INFORMATION AND RESOURCES RELATED TO COVID-19 IN ORDER TO PROVIDE CONSISTENT, TIMELY INFORMATION TO SMALL BUSINESSES

TO FIND A LOCAL RESOURCE VISIT <http://www.sba.gov/local-assistance/find/>

SMALL BUSINESS TAX PROVISIONS

THIS CREDIT IS NOT AVAILABLE IF RECEIVING ASSISTANCE THROUGH THE PAYCHECK PROTECTION PROGRAM

PROVIDE A REFUNDABLE PAYROLL TAX CREDIT FOR 50% OF WAGES PAID BY ELIGIBLE EMPLOYERS WHOSE OPERATIONS HAVE EXPERIENCED A GREATER THAN 50% REDUCTION IN QUARTERLY RECEIPTS, MEASURED ON A YEAR-TO-YEAR BASIS

WAGES OF EMPLOYEES WHO ARE **FURLOUGHED OR FACE REDUCED HOURS ARE ELIGIBLE. ALL WAGES ARE ELIGIBLE INCLUDING HEALTH BENEFITS AND IS PROVIDED FOR THE FIRST \$10,000 IN WAGES PAID TO AN ELIGIBLE EMPLOYEE. DO NOT INCLUDE THOSE TAKEN FOR REQUIRED PAID SICK LEAVE OR PAID FAMILY LEAVE.**

THE WORD “FURLOUGHED” IN THE PRIOR

IF YOU HAVE ALREADY “LAID OFF” EMPLOYEES OR ARE ANTICIPATING HAVING TO DO SO.....THERE APPEARS TO BE SOME DIFFERENCE DURING NORMAL TIMES....MAYBE NOT IN THESE TIMES....ABOUT THE TWO TERMS: FURLOUGHING AND LAYING OFF:

FURLOUGHED EMPLOYEE REMAINS AN EMPLOYEE BUT WITH REDUCED OR ELIMINATED HOURS OF WORK WHILE A LAY OFF GENERALLY MEANS A COMPLETE EMPLOYMENT SEVERENCE WHICH WOULD TRIGGER THE FINAL PAY REQUIREMENTS

SEE THE LABOR COMMISSIONERS OPINION LETTER 1993.05.04 AND 1996-05-30 AND/OR VIST THE CALCHAMBER CORONAVIRUS (COVID-19) WEBPAGE FOR MORE INFORMATION.

DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES

ALLOW DEFERRAL OF THE EMPLOYERS PORTION OF PAYROLL TAXES SUCH AS FICA, HALF OF THE SECA TAX LIABILITY AND THE EMPLOYER AND EMPLOYEE REPRESENTATIVE PORTION OF RAILROAD RETIREMENT TAXES (THAT ARE ATTRIBUTABLE TO THE EMPLOYER FICA RATE).

NOT AVAILABLE TO EMPLOYERS RECEIVING ASSISTANCE THROUGH THE PAYROLL PROTECTION PROGRAM

THE INFORMATION REGARDING THE CORONAVIRUS
AID, RELIEF AND ECONOMIC SECUIRTY (CARES) ACT
was extracted from a document published by the
U.S. Senate Committee on Small Business &
Entrepreneurship document entitled

THE SMALL BUSINESS OWNER'S GUIDE TO THE CARES
ACT

YOUR TURN

CALMLY AND RATIONALLY...STEP BY STEP

- **DECISIONS – DECISIONS-DECISIONS**
- **COMMUNICATE-COMMUNICATE-COMMUNICATE**
- **DOCUMENT-DOCUMENT DOCUMENT T-DOCUMENT**

DECISIONS

SEE AN EARLIER PRESENTATION THAT BRYCE DID WITH LARRY HEBERT FOR SOME ACTIONS TO TAKE IN HELPING YOUR DECISION MAKING PROCESS

IF YOU HAVE OR MAY NEED TO “FURLOUGH” EMPLOYEES ESTABLISH A TELECOMMUTING POLICY TO MAKE SURE EXPECTATIONS ARE CLEAR FOR THOSE WHO WILL BE WORKING FROM HOME INCLUDING YOUR CRITERIA FOR ASSESSING WHETHER A PARTICULAR WORK CAN BE DONE REMOTELY. YOU MAY THINK ABOUT THE NEED FOR A TELECOMMUTING AGREEMENT THAT ACKNOWLEDGES SOME OF PARAMETERS OR LOCAL ORDINANCES THAT COULD COME INTO PLAY DEPENDING ON WHERE YOUR EMPLOYEES ARE WORKING

RESOURCE SOFTWARE SOLUTIONS SUCH AS ZOOM, ASANA, SLACK AND FOREST (MANY OF WHICH ARE FREE) TO FACILITATE PEOPLE WORKING FROM HOME SUCH AS RECORDING ALL HOURS THEY WORK TO AVOID LABOR LAW VIOLATIONS

IF YOU ARE GOING TO CLAIM REIMBURSEMENT UNDER ONE OF THE PROGRAMS AVAILABLE FOR EMPLOYEE HOURS, YOU ARE GOING TO HAVE TO HAVE A WAY OF RECORDING THOSE HOURS SUCH AS A NEW PAYROLL CODE

A CLEAR DESCRIPTION OF WHAT JOB DUTIES WILL BE PERFORMED AT HOME WILL BE ESSENTIAL SHOULD A WORKERS COMPENSATION CLAIM BE FILED DURING THAT TIME

REVIEW EXISTING COMPANY POLICIES SUCH AS SICK PAY OR EMPLOYEE HANDBOOKS TO MAKE SURE YOU ARE FOLLOWING COMPANY RULES OR YOU TEMPORARILY AMEND THOSE POLICIES

ARE THERE PROJECTS OR PROCEDURES THAT YOU HAVE WANTED DONE BUT THERE JUST HAS NOT BEEN ENOUGH TIME.....IS THAT AN OPPORTUNITY FOR SOMEONE TO WORK FROM HOME???

ARE THERE TRAININGS THAT NEED TO BE DONE SUCH AS THE SEXUAL HARASSMENT REQUIRED TRAINING THAT COULD BE NOW DONE FROM HOME AND THE TIME TRACKED.

IF YOU ARE TERMINATING OR LAYING OFF EMPLOYEES DUE TO THE CURRENT CONDITIONS THE NOTICE MUST BE IN WRITING, INCLUDE THE MARCH 25 POSTER DEVELOPED BY THE WAGE AND HOUR DIV (WH1422Rev 03/20)AND INCLUDE THE FOLLOWING STATEMENT

“IF YOU HAVE LOST YOUR JOB OR BEEN LAID OFF TEMPORARILY, YOU MAY BE ELIGIBLE FOR UNEMPLOYMENT INSURANCE (UI). MORE INFORMATION ON UI AND OTHER RESOURCES AVAILABLE FOR WORKERS CAN BE FOUND ON labor.ca.gov/coronavirus2019”

THINK ABOUT THE “TRANSITION PLAN” WHEN EMPLOYEES ARE ALLOWED TO RETURN TO THE WORKPLACE. AS MUCH OF A CHANGE THAT THIS HAS BEEN FOR THEM TO WORK FROM HOME...THIS WILL BE EQUALLY AS CHALLENGING A CHANGE

COMMUNICATE, COMMUNICATE, COMMUNICATE

PLANNING FOR EFFECTIVE COMMUNICATIONS INVOLVES NOT ONLY

YOUR EMPLOYEES

BUT ALL OTHER STAKEHOLDERS SUCH AS CUSTOMERS, VENDORS,

FINANCIAL INSTITUTIONS

**HERE IS WHERE “THINING OUTSIDE OF THE BOX” IS IMPORTANT....COULD
EMPLOYEES BE GIVE A LIST OF THESE PEOPLE TO CONTACT ON SOME KIND
OF FREQUENT BASIS TO KEEP THEM POSTED ON THE BUSINESS BUT ALSO
KEEP THE RELATIONSHIP GOING**

**THINK ABOUT GUIDELINES TO HELP PEOPLE WHO ARE NOT USED TO
WORKING FROM HOME BE MORE PRODUCITVE**

THINK ABOUT WAYS TO LET YOUR EMPLOYEES KNOW HOW MUCH YOU APPRECIATE THEIR UNDERSTANDING DURING THESE CHALLENGING TIMES.....SIMPLE INCENTIVE PROGRAMS....EMPLOYEE GROUP RECOGNITION ANNOUNCEMENTS.....

DOCUMENT....DOCUMENT....DOCUMENT

DOCUMENTING THINGS HAS NEVER BEEN MORE IMPORTANT

YOU ARE GOING TO HAVE TO MAKE DECISIONS WITH LIMITED RESOURCES TO MAKE SURE THOSE DECISIONS ARE CORRECT.....DOCUMENT THE DECISION....WHAT FACTORS HELPED YOU MAKE THAT DECISION...SOURCES YOU USED....AND THE DATE; 6 MONTHS FROM NOW YOU WILL NOT BE ABLE TO REMEMBER ALL THOSE DETAILS.

KEEP GOOD NOTES ON DISCUSSIONS WHERE SOME KIND OF COMMITMENT WAS MADE VERBALLY AND CONFIRM THAT IN WRITING IF APPROPRIATE BUT AT LEAST HAVE YOU NOTES

REMEMBER, YOU ARE NOT IN THIS ALONE. YOUR LOCAL SBDC OFFICE HAS SOME GREAT CONSULTANTS WITH A WIDE VARIETY OF EXPERTISE AVAILABLE TO HELP YOUR THROUGH THIS.

IT MAY NOT EVEN BE HELP FOR A CURRENT ISSUE BUT YOU TAKING THE TIME NOW TO GET YOUR PRACTICES AND POLICIES IN PLACE TO BE READY TO RUN WHEN THIS IF OVER

CHECK OUT THE SANTA CRUZ SBDC WEBSITE OR MORE INFORMATION.