Federal Coronavirus Proposal: The Families First Coronavirus Response Act (H.R. 6201)

With over 33 million Americans lacking a single day of paid sick time they can use for themselves or to care for a sick family member, and a public health crisis now in effect, it is absolutely essential that we act to ensure that anyone who needs to stay home from work because they or a family member is ill can do so without having to fear for their job or lost wages.

The U.S. House of Representatives recently passed the Families First Coronavirus Response Act, as well as additional amendments reflected in this fact sheet, in response to the growing coronavirus emergency in the United States.

The bill, which contains many different sections addressing the crisis, contains several important paid leave provisions, which are outlined below. A Better Balance urges the Senate to swiftly pass this measure into law and urges Congress to address the gaps in this legislation that leave many workers vulnerable during this pandemic.

Emergency Paid Sick Leave Act

The bill includes emergency paid sick leave requirements related to coronavirus, which would take effect within 15 days after the bill is enacted, and expire on December 31, 2020.

Overview of the emergency paid sick leave provisions:

- The emergency paid sick time requirements apply only to sick time needs related to coronavirus.
- The law applies to public agencies regardless of size and private entities that employ fewer than 500 employees. An employer of a worker who is a health care provider or an emergency responder may elect to exclude such worker from these emergency paid sick leave requirements.
- The bill includes possible rulemaking exemptions for small businesses and certain health care providers and emergency responders. The Secretary of Labor has authority to issue regulations for good cause to: (1) exclude certain health care providers and emergency responders from eligibility for emergency paid sick leave, including by allowing such employers to opt those individuals out; and (2) exempt businesses with fewer than 50 employees from the emergency paid sick leave requirements when the imposition of such requirements would jeopardize the business’ viability.
- Workers will be entitled to 80 hours of emergency paid sick time. Full-time employees will be entitled to 80 hours of paid sick time (the equivalent of 10 eight-hour days). Part-time time employees will be entitled to the number of hours that they work, on average, over a 2-week period.
- Workers will be able to take time off if the worker is unable to work (or telework) due to a need for leave because of any of the following:
  1) The worker is subject to a federal, state, or local quarantine or isolation order related to coronavirus;
  2) The worker has been advised by a health care provider to self-quarantine due to concerns related to coronavirus;
  3) The worker is experiencing coronavirus symptoms and seeking a medical diagnosis;
  4) The worker is caring for an individual: who is subject to a federal, state, or local quarantine or
isolation order related to coronavirus; or who has been advised by a health care provider to self-quarantine due to concerns related to coronavirus (note: the bill does not limit the individuals for whom a worker can care under this purpose to specific relationships);

5) The worker is caring for a son or daughter if a school or place of care has been closed due to coronavirus, or the child care provider of the son or daughter is unavailable due to coronavirus (note: “son or daughter,” as under the FMLA, includes a biological, foster, or adopted child, a stepchild, a child of a domestic partner, a legal ward, or the child of a person standing in loco parentis under 18 years of age; in loco parentis refers to someone acting and intending to act as a parent, with no requirement of a legal or biological relationship); or

6) The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of Labor and Secretary of the Treasury.

- Emergency paid sick leave is available for immediate use by the employee, regardless of how long the individual has been employed by the employer.
- Workers using emergency paid sick leave must be paid the greater of: their regular rate of pay; the federal minimum wage; a state minimum wage where they are employed; or a local minimum wage where they are employed.
  - However, workers only have to be compensated 2/3 of this amount for emergency paid sick leave used for the purposes numbered (4), (5), and (6) above, which includes caring for another individual.
  - Furthermore, compensation cannot exceed $511 per day and $5,110 in the aggregate for the purposes of leave numbered (1), (2), and (3) above, regarding the worker’s self-care. For the purposes of leave numbered (4), (5), and (6) above, which includes care of another individual, compensation cannot exceed $200 per day and $2,000 in the aggregate.
- After the first workday (or portion thereof) in which an employee receives emergency paid sick leave, an employer may require the individual to follow reasonable notice procedures.
- An employee is able to use emergency paid sick time prior to any existing paid leave, and an employer is prohibited from requiring an employee to use other paid leave first.
- Employers cannot require an employee, as a condition of providing emergency paid sick leave, to be involved in searching for or finding a replacement worker to cover the hours when they are using the leave.
- Emergency paid sick leave will not carry over from one year to the next.
- The bill includes provisions for employment under multi-employer collective bargaining agreements (CBAs). Employers under these provisions, consistent with the CBA and its bargaining obligations, may fulfill this bill’s emergency paid sick time requirements by making contributions to a multi-employer fund, plan, or program based on the hours of paid sick time each of its employees is entitled to under this bill, as long as the fund, plan, or program allows employees to secure pay from it for the bill’s emergency paid sick leave purposes.
- All covered workers are protected when they take sick time. Workers will be protected against retaliation, including job loss, discipline, and/or discrimination, for using their emergency paid sick leave, filing a complaint, or testifying in an action under the law.
- Nothing in the law would diminish other rights or benefits of an employee under the following: any other federal, state, or local law, collective bargaining agreement, or existing employer policy.
Emergency Family and Medical Leave Expansion Act

The bill would amend the federal Family and Medical Leave Act (FMLA), effective 15 days after the bill is enacted, and terminating on December 31, 2020.

Overview of the emergency family and medical leave expansion:

- **Public health emergency leave**: Until December 31, 2020, the bill would amend the FMLA to include a need, as described below, related to the coronavirus public health emergency.

- **Purposes for Leave**: Workers can access this public health emergency leave *only* if they are unable to work (or telework) due to a need for leave to care for a son or daughter under 18 years of age if the school or place of care has been closed, or the child care provider of the son or daughter is unavailable, due to a public health emergency related to coronavirus (declared by a federal, state, or local authority). The FMLA’s “son or daughter” definition would apply, which includes a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis* (*in loco parentis* refers to one who is acting and intending to act as a parent, with no requirement of a legal or biological relationship).

- **Eligibility**: Workers would be eligible for this public health emergency leave if they are employed by an employer with fewer than 500 employees and they have been employed with their employer for at least 30 calendar days. An employer of a worker who is a health care provider or an emergency responder may elect to exclude that worker from the public health emergency leave.

- **Possible Rulemaking Exemptions**: The Secretary of Labor has authority to issue regulations for good cause to: (1) exclude certain health care providers and emergency responders from eligibility for the emergency family and medical leave expansion; and (2) exempt businesses with fewer than 50 employees from the emergency family and medical leave expansion’s requirements when the imposition of such requirements would jeopardize the business’ viability.

- **Notice**: If the need for leave is foreseeable, the employee must provide the employer with notice of leave as is practicable.

- **Unpaid and Paid Leave Requirements**:
  - The first 10 days of public health emergency leave may be unpaid; during these 10 days, an employee may elect to substitute any accrued vacation, personal, medical, or sick leave.
  - An employer must provide paid leave for each day of public health emergency leave after the first 10 days. Leave must be paid at an amount not less than 2/3 of the employee’s regular rate of pay and based on the number of hours the employee would otherwise normally be scheduled to work. However, paid leave under this provision may not exceed $200 per day and $10,000 in the aggregate.

- **Job protection/restoration**: Employees who take public health emergency leave under the FMLA expansion are entitled upon return from leave to be restored to their job position or to an equivalent position with equivalent employment benefits, pay, and other terms/conditions of employment. However, an employer with fewer than 25 employees does not have to restore a worker who took a public health emergency leave to their position if all of the following apply:
  - The position held by the worker when the leave began no longer exists due to economic conditions or other changes to operating conditions that affect employment and were caused by the public health emergency during the period of leave;
The employer made a reasonable effort to restore the employee to an equivalent position with equivalent benefits, pay, and employment terms/conditions; and

If the reasonable effort to restore the worker fails, the employer makes reasonable efforts for a period of 1-year to contact the individual if an equivalent position becomes available.

- **Multi-employer collective bargaining agreements (CBAs):** Employers under these provisions, consistent with the CBA and its bargaining obligations, may fulfill this bill’s emergency family and medical leave requirements by making contributions to a multi-employer fund, plan, or program based on the paid leave each of its employees is entitled to under this bill, as long as the fund, plan, or program allows employees to secure pay from it for the bill’s emergency paid sick leave purposes.

**Tax Provisions**

The bill would also include the following tax provisions:

- In accordance with certain restrictions and details not outlined here, the bill would provide employers a tax credit for each calendar quarter (against certain taxes imposed under the Internal Revenue Code) in an amount equal to 100% of the qualified sick leave wages and family leave wages paid by the employer during that quarter (pursuant to both the emergency paid sick leave provisions and paid family leave expansions to the FMLA under this bill), not to exceed the applicable compensation caps. This provision does not apply to governments.

- In accordance with certain restrictions and details not outlined here, the bill would also provide a tax credit to certain self-employed individuals in an amount equal to 100% of a “sick leave equivalent amount” (or 67% for the family care provisions where only 2/3 of compensation is available, as discussed earlier) or “family leave equivalent amount” based on days when the individual was unable to perform business services or trade due to sick leave or family leave reasons covered by the emergency provisions of this bill. The amount is not to exceed the bill’s applicable compensation caps.

- Any wages required to be paid by the emergency paid sick leave and emergency family and medical leave expansion provisions of this bill are not considered wages for employer taxation purposes under section 3111(a) of the Internal Revenue Code.