



*Building Better Workplaces Through Compliance, Culture, Connection*

## **New Stimulus Package: What Employers Need to Know**

On December 21st, Congress passed the new [COVID-19 Relief Stimulus Bill](#), which is expected to be signed into law this evening. This alert focuses on the bill as it relates to the employment sector.

### **Families First Coronavirus Response Act (FFCRA)**

Currently, the Families First Coronavirus Response Act (FFCRA) expires on December 31st, 2020. This new bill provides employers with the opportunity to voluntarily extend the FFCRA into 2021. This means that employers are no longer required to provide Emergency Paid Sick Leave (EPSL) and/or Emergency Family Medical Leave (EFML) to eligible employees, but may voluntarily choose to do so. Employers who choose to provide FFCRA starting on January 1st, are eligible for the tax credits through March 31, 2021.

It is important to note that as the verbiage of this bill stands, a new bucket of FFCRA time is not awarded to employees. This means that if an employee already utilized their 80 hours of EPSL and/or 12 weeks of EFML with the original FFCRA, the employee is not eligible for a new bucket of time under this extension. However, if an employee is both eligible for FFCRA and traditional FMLA, and that employee's FMLA leave year resets, they would be eligible for a new bucket of paid time under the EFML only and not EPSL. As a reminder, for FMLA, employers are eligible if they have 50 or more employees and employees are eligible if they work at least 1250 hours 12-months prior to the leave request.

In addition to the FFCRA, eligible employees can also utilize OFLA for emergency care for their child whose school or place of care has been closed in conjunction with a public statewide health emergency, which COVID-19 qualifies as. As a reminder, employers with 25 or more employees in Oregon are covered under OFLA. Oregon employees are eligible for OFLA if they work 180 days for the employer and average 25 hours per week. If an employee is eligible for both FMLA and OFLA, the leave buckets would drain concurrently. However, before draining the OFLA bucket, employers need to provide the necessary OFLA paperwork to each employee so they are aware that the time is draining from their leave bucket.

## Individual Cash Payments

The bill provides a one-time cash payment of \$600 per eligible individual (\$1,200 for joint filers and \$600 for each child in their household) for income less than \$75,000 in 2019 (\$150,000 in the case of a joint return). The cash rebates start to phase down as income increases and individuals making more than \$99,000 (\$198,000 for couples) will not receive the cash rebate.

## Unemployment Insurance Expansion

The bill also provides an 11-week extension of federal unemployment insurance assistance for unemployment, partial unemployment, or inability to work due to COVID-19. The effective dates of such unemployment benefits will be from December 26th through March 14, 2021. Specifically, the federal government will provide qualifying individuals with unemployment insurance payments of \$300 per week, which is in addition to that individual's unemployment insurance payments administered by the state. The unemployment insurance assistance continues to extend such benefits to self-employment individuals, gig workers, independent contractors and freelancers, all of whom historically would not qualify for such benefits.

## PPP Loans

This bill also provides \$284 billion in additional funding for the Paycheck Protection Program (PPP). As a reminder, the PPP offers forgivable loans to small employers to help pay expenses in relation to COVID-19. This second round of PPP loans vary from the initial round of PPP loans. For one, eligible businesses must have 300 or fewer employees (decreased from 500 or fewer), and such businesses must demonstrate at least a 25 percent reduction in gross receipts over three quarters in 2020 compared to 2019.

Cascade is actively monitoring this bill and will continue to provide additional alerts when information becomes available. Please do not hesitate to [reach out](#) if you have any questions.



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