



# HR 6201 - Paid Leave Anchors Second COVID- 19 Impact Package

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# COVID-19 Impact Package Overview

## ○ **H.R. 6201 would create emergency paid leave programs to respond to the outbreak**

- Private sector employers with fewer than 500 workers, government entities would have to provide as many as 12 weeks of partially paid family leave under the FMLA to care for a child whose school or day care has closed
- Employers also would have to provide full- and part-time workers with two weeks paid sick time, including for a quarantine order or to care for another affected individual
- Labor Department could exempt small businesses with fewer than 50 workers from the paid leave requirements

## ○ **Paid leave would be financed through tax credits**

- Refundable tax credits for employers to cover costs under the bill's sick leave and family leave programs
  - Would include amounts employers pay for a worker's health insurance plan

## ○ **House Democrats want third coronavirus relief package to expand the scope and length of family and sick leave, according to Speaker Nancy Pelosi (D-Calif.)**

# Measure Institutes Emergency Leave Programs

## Refundable Tax Credits Would Finance Paid Leave

	Family Leave	Sick Leave
Covered employer	Private sector employers with fewer than 500 workers and government entities	Private sector employers with fewer than 500 workers and government entities
Qualifying circumstances	Caregiving for child younger than 18 whose day care or school closed	Quarantine, medical diagnosis, caregiving for another quarantined individual or for child whose day care or school closed
Length of leave	As many as 12 weeks	Two weeks for full-time workers and similar equivalent for part-time workers
Benefit amount	Unpaid for first 10 days, then at least two-thirds of a worker's normal pay rate, capped at \$200 per day or \$10,000 total.	Normal wage or minimum wage, whichever is greater, capped at \$5,110 for a worker's quarantine or diagnosis. Caregiving benefit would be two-thirds of normal or minimum wage, capped at \$2,000.
Employer tax credit	Covers wages of as much as \$200 per day or \$10,000 total	Covers daily wages of as much as \$511 for affected employee, or as much as \$200 for employee caring for someone else
Self-employed tax credit	The lesser of \$200 per day or 67% of average daily self-employment income	The lesser of \$511 per day or average daily self-employment income for affected individual, or the lesser of \$200 or 67% of average daily self-employment income if caring for someone else

Note: Family leave includes job-protected leave under the Family and Medical Leave Act  
 Source: Modified H.R. 6201 sent to the Senate

# Emergency Family Leave Details

- Private sector employers with fewer than 500 workers would have to provide as many as 12 weeks of partially paid family leave under the Family Medical Leave Act (FMLA) to care for a child whose school or day care has closed.
- Job protection (except for employers with fewer than 25 workers) – equivalent position
- First 10 days could be unpaid, though a worker could elect to use accrued vacation leave for unpaid time off.
- Following initial 10 day period, workers would receive two-thirds of normal pay rate, capped at \$200 per day or \$10,000 total.
- Expire December 31, 2020

# Emergency Sick Leave Details

- Private sector employers with fewer than 500 workers would have to provide paid sick time to:
  - Comply with quarantine/isolation order
  - Self-quarantine per doctor's advice
  - Obtain medical diagnosis for CV
  - Care for individual in quarantine
  - Care for a child whose school/day care has closed due to CV

## Emergency Sick Leave Details

- FT Employees would receive 80 hours of sick leave, PT Employees equivalent to normal work hours in 2 week period
  - No carry over
  - Paid normal wage or jurisdictional minimum wage
  - For worker's quarantine/diagnosis, cap is \$5,110
  - For caregivers, cap is \$2,000
  - Employer cannot require use of other leave first

## Dept of Labor

- Authorized to issue regulations to exempt small businesses with fewer than 50 employees from the paid leave requirements
- Further guidance must be issued by Secretary of Labor within 15 days. Stay tuned!

## Employer Tax Credits

- Refundable tax credits to cover wages paid to employees for sick or paid leave
- Credits against employer's payroll tax payments
- Beyond wage limits, amounts would be increased to include employer payouts for health plan coverage
- Wages paid wouldn't be subject to employer payroll tax, credits would be increased to cover 1.45% Medicare tax
- Credit would be included in gross income
- Effective through December 31, 2020

# Treasury Department

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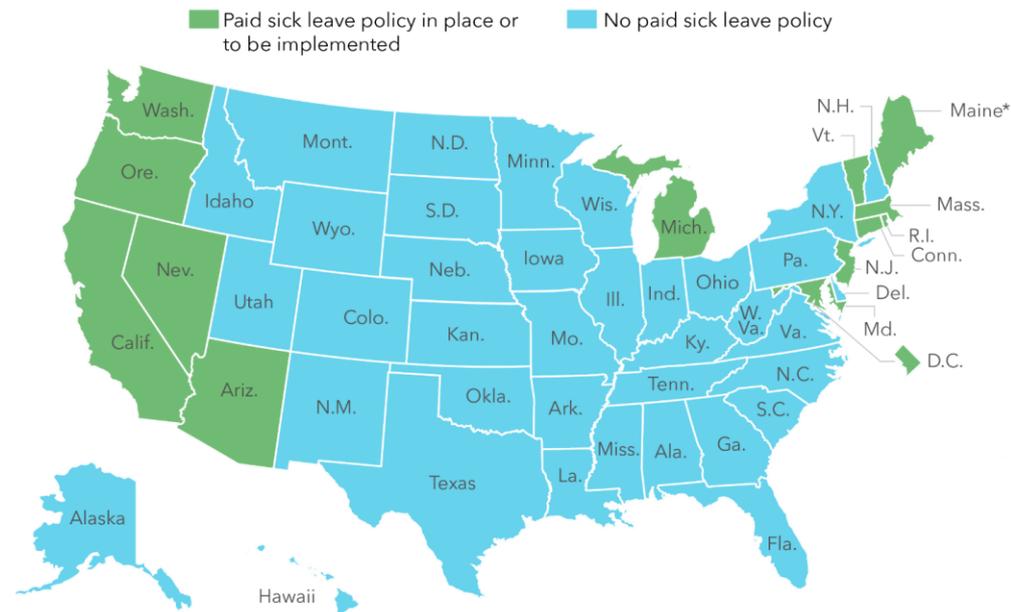
- Treasury Department to issue regulations and guidance for management of this process.
- Stay Tuned!

# Unemployment Benefits

- Joint federal-state unemployment insurance program generally provides income support for as long as 26 weeks to workers who have been involuntarily laid off
- Extended benefits for additional 20 weeks in most states

# State Considerations: 12 States, D.C. Currently Provide Paid Sick Time

No previous federal law required workers to receive paid sick leave: 65% of private sector workers had paid sick leave through employers as of March 2019



\*Benefits available in January 2021 in Maine

Notes: Some cities such as Austin, Texas; Chicago; Minneapolis; New York City; and Philadelphia require some form of paid sick leave. Colorado issued a temporary emergency rule that requires employers in certain industries to provide paid sick leave related to coronavirus. Data as of March 5, 2020

Sources: "[National Compensation Survey: Employee Benefits in the United States, March 2019](#)," Bureau of Labor Statistics; National Conference of State Legislatures; National Partnership for Women & Families

# More Info

- Further guidance will be coming out within 15 days from Secretary of Labor and Secretary of the Treasury.

