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Benefits Available to Individuals Due to the Coronavirus Pandemic

In response to the high rates of unemployment and financial hardship due to the Coronavirus pandemic, the federal government enacted a series of legislation to assist individuals as well as small businesses. While generally known as “The Stimulus Package,” the legislation consists of a series of legislative acts.

THE CARES ACT

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act provides a variety of benefits for individuals and small businesses.

Stimulus Payments

Stimulus payments are a one-time payment. Single adults with adjusted gross incomes of \$75,000 or less will receive a payment of \$1,200. Married couples filing joint returns with adjusted gross incomes of \$150,000 or less with no children will receive \$2,400. For every qualifying child under 16, the payment will be an additional \$500.

Most people receiving Social Security retirement and disability benefit will receive the stimulus check.

There is no need to apply for this benefit. The IRS will determine your eligibility based on your 2018 or 2019 tax returns. The payment is non-taxable.

Unemployment Compensation

The CARES Act also provides for enhanced unemployment compensation benefits through the Pandemic Unemployment Assistance Program.

Traditionally unemployment compensation benefits are available for 26 weeks. The PUA expands the eligibility to 39 weeks.

Eligible workers will receive an extra \$600 per week for up to four months ending July 31, 2020. This benefit differs from the stimulus check in that it is only available for those who receive unemployment compensation benefits. Additionally, the benefits may be paid either as part of regular unemployment compensation benefits or as a separate check.

Unemployment compensation benefits are taxable.

If work is available, for example those considered essential, and an employee chooses not to work because of fear of exposure, benefits will generally not be payable.

In addition, the PUA expands eligibility for benefits to those traditionally not eligible for unemployment compensation benefits such as self-employed workers, independent contractors, and part-time employees.

Workers are not eligible for PUA if they can either telework with pay or are receiving paid sick days or paid leave.

Paycheck Protection Program

The CARES act includes loans available to small businesses, through the Small Business Administration. Part of the loan package includes the Paycheck Protection Program for businesses that maintain their payroll through the COVID-19 emergency. There are strict rules surrounding these loans that must be closely followed by the businesses requesting the loans.

Student Loans

For federal student loan borrowers, monthly payments are suspended through September 2020. No interest will accrue during this time.

THE FFCRA

In addition to the CARES act, congress passed the Families First Coronavirus Response Act (“FFCRA”). The FFCRA permits the Department of Labor to issue temporary regulations for Emergency Paid Sick Leave and expands the Family Medical Leave Act through the Emergency Family and Medical Leave Expansion Act.

The paid sick leave and expanded family and medical leave provisions apply to certain public and private employers with fewer than 500 employees. Federal employees are not covered by the expanded family and medical leave provisions, but are covered by the paid sick leave provision.

Paid Sick Leave

Employees will be eligible for two weeks (up to 80 hours) paid leave at the employee’s regular rate of pay where:

- the employee is subject to federal state or local quarantine or isolation order related to COVID-19; or
- the employee has been advised by a health care provider to self-quarantine; or
- the employee is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.

Employees will be eligible for two weeks (up to 80 hours) paid sick leave at two-thirds of the employee’s regular rate of pay where:

- the employee is caring for individual subject to quarantine pursuant to a federal, state or local Order; or
- the employee is out of work on advice of a health care provider; or
- the employee is caring for a child because school or day care has been closed or unavailable due to reasons related to COVID-19.

Expanded Medical Leave Act

Employees will be entitled to an additional 10 weeks of paid expanded FMLA leave at

two-thirds of the employee's regular rate, where:

- the employee has been employed for at least 30 calendar days; and,
- is unable to work due to a bona fide need for leave to care for a child whose school or childcare is closed or unavailable for reasons related to COVID-19.
- Employers are prohibited from requiring an employee to exhaust PTO before utilizing federal emergency paid sick leave.

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