

This Week's Top 12 HR Questions Related to COVID-19 & Your Questions Answered

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April 23, 2020



Questions?

During the webinar if you have any questions please feel free to...

- Text Richard: (443) 250-8606
- Email Richard: richard@silbs.com
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Presenter: Lewis Mosley

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12 Most Pressing HR Questions

April 23, 2020



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Note that this presentation is intended as a
general discussion of the law and is not
intended as legal advice for any particular
situation.

Question #1 – Asymptomatic Employees

May an employer ask asymptomatic employees to disclose whether they have a medical condition that could make them especially vulnerable to COVID-19 complications?

Answer #1 – Asymptomatic Employees

- Generally, asking an employee about underlying medical conditions is a disability-related inquiry, which is highly restricted by the ADA.
- Because COVID-19 is a pandemic and is considered severe by health officials, employers have sufficient objection information to reasonably conclude that employees will face a direct threat if they contract COVID-19.
 - As such, an employer may make a disability-related inquiry of asymptomatic employees in order to identify those at higher risk of COVID-19 complications.
- Those at higher risk for severe illness from COVID-19, according to the CDC, are:
 - People 65 years or older;
 - People with chronic lung disease or moderate to severe asthma;
 - People who are immunocompromised; and
 - People with severe obesity, diabetes, chronic kidney disease, and/or liver disease.

Question #2 – Fear of Infection at Work

Is an employee able to take FFCRA leave due to his/her general fear of coming to work because of the risk of being infected by COVID-19?

Answer #2 – Fear of Infection at Work

- The employee is not missing work due to an FFCRA-approved reason, thus, he/she would not generally be entitled to paid sick leave under the Act.
 - Unless a quarantine, isolation order, or shelter-in-place order applies specifically to the employee (such as “all people older than 65 may not leave their house”), the employee would not be permitted to FFCRA leave simply out of fear of coming to work.
- There are a few limited circumstances where leave to avoid contracting COVID-19 might be covered under FMLA:
 - For example, if an employee has an underlying mental health condition (severe anxiety) which triggers an incapacitating fear of COVID-19, it could be considered a serious health condition as defined by the FMLA. (This would also trigger an ADA interactive dialogue.)
- Additionally, if the employee has an underlying chronic condition (diabetes, lung disease, asthma), and a health care provider advises the employee to stay home to avoid triggering the condition, the employee would likely qualify for FFCRA leave.
- Otherwise, staying at home simply to avoid getting sick, even for employees with underlying chronic conditions, does not qualify for leave, or as a serious medical condition under the FMLA.

Question #3 – Intermittent Leave

Are employees required to use the sick leave in 8 hour increments or can they use them as needed?

For example, if an employee is in self isolation, and he/she wants to work 4 hours in the morning, can they record his/her morning time as working, and then his/her afternoon time as COVID-19 related leave?

Answer #3 – Intermittent Leave

- Employees may ***not*** take intermittent paid sick leave if the employee is still working at the typical worksite (meaning, not teleworking).
 - Instead, the employee must take paid sick leave in full-day increments, unless (1) the paid sick leave is being taken for care of a child whose school or place of care has closed due to COVID-19 reasons, and (2) the employer agrees to such intermittent use.
 - Otherwise, once an employee begins taking paid sick leave, the employee must continue taking paid sick leave in full-day increments until (1) the full available amount of paid sick leave is exhausted; (2) the employee no longer has a qualifying reason for paid sick leave. Any unused sick leave may be saved and used later, until December 31, 2020.
- If teleworking, and the employer permits it, an employee may take intermittent leave for any reason in the FFCRA.
 - The increment of leave must be agreed to be employer/employee.

Question #4 – FMLA+ First Two Weeks...

May an employee choose between available paid leave and EPSL for the first two weeks of FMLA+ Leave?

Answer #4 – FMLA+ First Two Weeks...

- An employee may take both paid sick leave and expanded family and medical leave to care for a child whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reasons.
- The Emergency Paid Sick Leave Act provides for an initial two weeks of paid leave. This period thus covers the first ten workdays of FMLA+, which are otherwise unpaid under the FFCRA, unless the employee elects to use existing vacation, personal, or medical or sick leave under an employer's policy.
- After the first ten workdays have elapsed, the employee will receive 2/3 of his/her regular rate of pay for the hours you would have been scheduled to work in the subsequent ten weeks under the Emergency and Family Medical Leave Expansion Act.

Question #5 – Documenting Leave

What documents should an employer request of an employee who is taking FFCRA leave, and how long should those documents be maintained?

Answer #5a – Documenting Leave

- Leave documentation is necessary to ensure compliance with the FFCRA's tax credit provisions – employers will substantiate eligibility for tax credits if the employer receives documentation from an employee in which the employee provides:
 - The employee's name;
 - The date or dates for which leave is requested;
 - A statement of the COVID-19 related reason the employee is requesting leave and written support for such reason; and
 - Statement that the employee is unable to work or telework for such reason.

Answer #5b – Documenting Leave

- If leave is based on a **quarantine order** or **self-quarantine advice**, the statement from the employee should include the name of the government entity, or the name of the health care professional advising self-quarantine, and, if the person subject to the quarantine order is not the employee, that person's name and relation to the employee.
- If leave is based on a **school closing or child care provided being unavailable**, the statement from the employee should include the name and age of the child to be cared for, the name of the school that has closed or place of care that is unavailable, *and a representation that no other person will be providing care for the child.*
- Documents should be maintained by the employer for **four years**.

Question #6 – COVID-19 Positive Employees

What steps should an employer take if an employee reports that he/she has tested positive for COVID-19?

What if the employee only shows symptoms?

Answer #6a – Employee Tests Positive

- OSHA's general duty clause requires employers to take reasonable steps to ensure that the workplace is safe from known dangers.
 - An employer who is notified that an employee is positive for COVID-19 should:
 - Ensure the employee does not report to the office until he/she is free of all symptoms;
 - Conduct an inquiry into the employee's last known work date, and the employee's interactions;
 - Take disinfecting steps to sanitize the employee's workspace, common areas, etc.; and
 - Notify other employees that there has been an employee who tested positive for COVID-19.
 - Notifying other employees should be generic – never disclose identifying information, but do share the employee's general work location and department.
 - An employer might have to report the illness under OSHA if the employee contracted COVID-19 as a result of performing his/her work-related duties.
 - Unlike the common cold, or flu, OSHA's guidance has advised employers that COVID-19 is a reportable illness.

Answer #6b – Employee Has Symptoms

- If an employee only shows COVID symptoms, but no positive test yet, the employee would likely still be considered a “known danger” to the workplace, and should be sent home.
- The ADA’s guidance has explicitly stated that being COVID-19 positive, or even showing symptoms of it, poses significant risk of substantial harm to the workplace.

Update on PPP Replenishment

- Agreement on a \$484 billion package was reached Tuesday, April 21 – expected to be passed by the House later today, i.e., Thursday, April 23
- \$320 billion is for replenishing the PPP
 - \$30 billion is specifically allocated for community lenders, small banks, and credit unions.
 - Another \$30 billion allocated for medium-sized banks and credit unions.
 - The remaining \$260 billion will not have any restrictions as to the size of the lender.
- Senate Committee on Small Business and Entrepreneurship will be tasked with oversight of PPP lending, including investigating companies.

Question #7 – PPP Replenished

Does Congress' act of replenishing the funds alter anything about the PPP?

Answer #7 – PPP Replenished

- Nothing has changed regarding the application process, eligibility, or uses of the PPP loan.
- The new act has specifically allocated \$30 billion to community lenders, small banks, and small credit unions; and another \$30 billion to medium-sized banks and credit unions.
- Senator Marco Rubio of Florida announced that the Senate Committee on Small Business and Entrepreneurship will conduct oversight of PPP lending.
 - An additional statement suggested that administrative regulations might be altered to guard against subsidiaries of large businesses receiving SBA funds.

Question #8 – Loan Forgiveness

The PPP loan is eligible for full forgiveness if used properly.

What are some of the ways an employer may **not** use the loan?

Answer #8 – Loan Forgiveness

- To secure total forgiveness, the PPP loan may not be used for the following:
 - Any compensation of an employee whose principal place of residence is outside of the United States;
 - Compensation of an individual employee is excess of an annual salary of \$100,000;
 - Employer's share of payroll taxes imposed/withheld between Feb. 15 and June 30.
 - Qualified sick and family leave required under the FFCRA; and
 - Principal payments on a mortgage.
- Example: spending \$1,000 of a \$100,000 PPP loan on FFCRA-required paid leave will result in only \$99,000 of the PPP loan being forgiven (but it might result in \$1,000 in FFCRA tax credits).

Question #3 – Rehired Employees

If an employee is furloughed after the PPP loan is distributed, but rehired before June 30th, does that affect the amount of loan forgiveness?

Answer #9 – Rehired Employees

- To determine if an employer's employee headcount has decreased during the 8-week loan period, the initial headcount is calculated by taking the average number of monthly employees per pay period from February 15, 2019 to June 30, 2019, or from January 1, 2020 to February 29, 2020.
 - Whichever period results in fewer employees should be used.
- A reduction in headcount must be "**eliminated**" by June 30 for it to not count against forgiveness – this likely does not mean simply hire the employee back on June 29, but, rather, likely means both hiring the employee back and providing sufficient back wages during the 8-week loan period.
 - Example: an employee who was employed for the previous 4 years but was laid off on March 15, 2020 will count against loan forgiveness, unless the employee is hired back (or replaced) by June 30, 2020, and provided backpay for the 8-week loan period.
 - More guidance on this particular issue is expected from the SBA soon.

Question #10 – Unemployment Benefits

An employer laid off several employees who then received unemployment benefits from the state. Upon receiving the PPP funds, the employer rehired all laid off employees, and provided back pay to cover at least a portion of the period in which the employee received unemployment benefits.

How does back pay interact with unemployment benefits already received?

Answer #10 – Unemployment Benefits

- Employees who have received back pay from an employer for the period that they were laid off and receiving unemployment benefits must pay back any unemployment benefits received.
- Employees will receive a form requesting information regarding the retroactive pay.
- Once the Division of Unemployment receives proof of back pay, the employee will be sent a Notice of Benefit Overpayment, which will detail the overpayment amount due and information on how to repay the amount.
 - Employees will be expected to repay the full amount; however, payment installments might be permitted.
 - Employees may also request an overpayment waiver within 30 days of receiving the Notice of Overpayment.

Question #11 – Applying for Forgiveness

How does a PPP borrower apply for forgiveness?

Answer #11– Applying for Forgiveness

- The borrower will submit documentation to its lender supporting a request for forgiveness, and the borrower will also be required to attest that the documents submitted and statements made are accurate.
 - Such documentation will include accountings of payroll, mortgage interest payments, rent payments, and utility costs.
- The timing of forgiveness requests will likely be based on the lender, but not before the completion of the 8-week loan period and should be submitted 60 days prior to the first payments (i.e., 60 days before the 6-month anniversary of the loan distribution).
- Lenders are instructed that they do not need to conduct any verification of the documents submitted or statements made.
- Lenders must make forgiveness decisions within 60 days of receiving forgiveness requests.

Question #12 – Loan Terms

What are the terms of the PPP loan if the borrower does not qualify for total loan forgiveness?

Answer #12 – Loan Terms

- Payments on the loan will be deferred for six months following the loan's disbursement.
 - Interest will accrue on the loan during this deferment period.
- Interest rate will be 1%.
- PPP loans may be sold on the secondary market, but the interest rate will not change, even if the lender does.
- The loan will mature two years following the date of distribution.

Thank You for Attending!

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