

# COVID-19 Employment Law Update

Platinum Group  
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# What We Know Now

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- DOL Guidance for Employers, Employees and FAQ
- DOL Poster Issued
- Stimulus Package could bring loans and changes to unemployment
- Disclaimer:
  - Law is both constantly changing and unclear
  - No legal advice; educational purposes only



# DOL Guidance

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- Effective date is April 1
- No Regulations until sometime in April
- Exceptions:
  - Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern.
  - Don't send anything to the DOL yet.
  - Employers of Health Care Providers or First Responders may exclude such employees from eligibility under the Act
- 2 Week Grace Period for “good faith” efforts

# DOL Guidance: FAQ

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- Only applies to leave taken after April 1
- If you want to try to get the exemption for under 50 employees, you need to document why complying with the law would jeopardize your business
- Include overtime in figuring rate to pay employees for both leaves
- The sick leave is capped at one usage no matter how many qualifying reasons an employee experiences
- Employees are only eligible for a total of 12 weeks of leave under both laws and only if they are caring for a child whose school is closed and are unable to work or telework
- Can require proof from employees of need for leave and will need to keep it for tax credit purposes
- Even if employers allow employees to telework, if an employee is unable to work for a qualifying reasons, the employee still qualifies for the leave. Specifically mentions that the employer may allow the employee to work outside of normal hours to allow the employee to work if the employee is caring for a child.
- Intermittent leave is available only with employer's permission

# DOL Poster

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- All covered employers have to post it
  - If you have under 50 – what do you do?
  - FAQs imply that you still have to post
- Post on the Premises
  - Where employees will see it
  - Conspicuously
  - Email if employees are working remotely
  - [Get the Poster Here: Non-Federal.pdf](#)

# Stimulus Package Unknowns

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- Senate Passed Wednesday Night
- House Debate on Friday
- Unemployment Expansion
  - Increased by \$600/week for four months
  - 13 additional weeks
  - Includes benefits for independent contractors and self-employed
- Lending Programs
  - Restrictions on dividends
  - Retain 90% of employment level “to the extent practicable”
  - Loans cannot last more than 5 years

# Questions?

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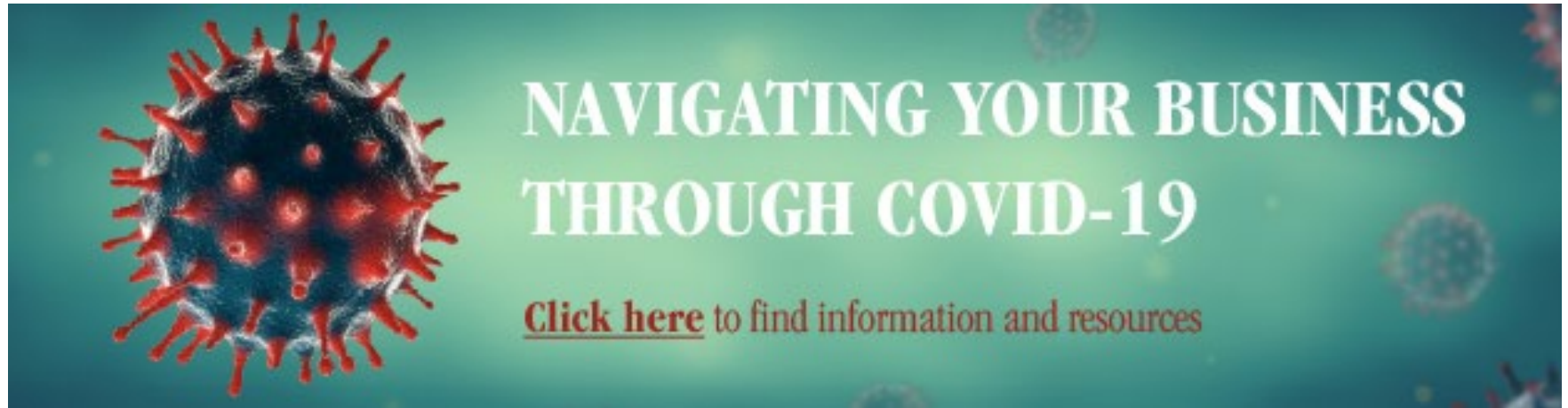
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# SBTDC



*The SBTDC is a business and technology development extension service of the North Carolina University System operated in partnership with the US Small Business Administration.*

The SBTDC is a business and technology extension program of the UNC System and is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.





# Mission and Vision

## **Mission:**

Positively impact North Carolina's economy by helping to grow small and midsize businesses and launch promising startups.

## **Vision:**

The SBTDC is a primary contributing partner in North Carolina's overall economic development infrastructure and the effective bridge between the state's small businesses and the UNC System. SBTDC client businesses consistently achieve their objectives, outgrow and outperform their peers.

# Steps Small Businesses Can Take Now to Navigate COVID-19

1. **Look at your financials and cash flow**
2. **Slash your overhead**
3. **Communicate, Communicate, Communicate and Get Online!**
4. **Understand your insurance policy.**
5. **Look at your supply chain.**
6. **Develop an incident response plan.**
7. **Prepare for a disaster loan.**
8. **Practice Social Distancing!**

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

**Eligibility:** In order to be eligible, you must be a small business (500 employees or less). Eligible businesses include:

- North Carolina small businesses affected by the disaster -
- Private non-profits
- Small agriculture cooperatives are eligible, but agricultural enterprises are not
- Small aquaculture businesses

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

## Use of loan funds

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.- **Loans will be modified impacted by stimulus package**

## Application amount

You will not be asked how much you would like to borrow. The SBA uses the information you provide to determine the loan amount. Small businesses can receive a secured loan up to \$2 million, and an unsecured loan up to \$25,000.

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

## **Interest rate and term**

The interest rates for this disaster at 3.75 percent for small businesses and 2.75 percent for non-profit organizations.

## **Collateral requirements**

- Economic Injury Disaster Loans over \$25,000 require collateral
- SBA takes real estate as collateral when it is available
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

## Basic filing requirements

- Completed SBA loan application (SBA Form 5 or 5C)
- Tax information authorization (IRE Form 4506T) for the applicant and other business principals
- Complete copies of the most recent Federal Income Tax Return.
- Schedule of Liabilities (SBA Form 2202)
- Personal Financial Statement (SBA Form 413)
- Current year—to-date profit and loss statement
- Monthly sales figures (SBA Form 1368)

# SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

## How to apply

- Print out the application forms ahead of time and review all of the requested information before you start the online application process.
- Apply during off-peak hours (before 7:00 am or after 7:00 pm) if you can.
- Updates: You will download your forms in BOX that is on the application site.
- Make sure that you are on [sba.gov](http://sba.gov)- there are many SCAMS out there you want to avoid.
- BE PATIENT.

# Express Bridge Load (EBL) Pilot Program

- Allows SBA Express Lenders authority to deliver expedited SBA-guaranteed financing on an emergency basis for disaster-related purposes- Related to SBA 7(a) loans
- Designed to supplement the Agency's direct disaster loan capabilities
- Amounts up to \$25,000 for disaster-related purposes to small businesses located in communities affected by Presidentially-declared disasters

<https://www.sba.gov/document/support--express-bridge-loan-pilot-program-guide>



# ManufacturedNC Database of Suppliers

- Find the manufacturer or supplier your business needs at [ManufacturedNC](#). This [database of suppliers](#) contains everything produced in NC. Whether you're a manufacturer who wants to localize your supply chain or a business searching for packaging suppliers, you'll find what you're looking for here.
- If you are an N.C. manufacturer, [please register your business with ManufacturedNC here](#). Other businesses may be looking for you.

<http://www.sbtfdc.org/coronavirus/resources.html#manufactured>

**Contact the North Carolina SBTDC near you** for assistance in developing your overall COVID-19 Recovery plan. Our organization has been helping small and mid-size business in NC for 35 years. We have extensive experience working with businesses recovering from disasters.

Keep yourself updated on Business Resources at our Covid-19 dedicated site:

<http://www.sbtdc.org/coronavirus/>



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The SBTDC is a business advisory service of The University of North Carolina System operated in partnership with the U.S. Small Business Administration.