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Q: What questions should I be asking my clients relating to COVID-19?

A: The best thing to do is to give your clients a call and see how this has impacted them so that you can then determine what area you need to guide them to. Some questions to ask may include:

- Do you have any questions pertaining to the new extended tax deadline?
- If you are operating as an essential business and have under 500 employees have you heard about the emergency paid sick leave and emergency family medical leave?
- Have you had to lay off your employees and if so do you have any questions pertaining to unemployment?
- Have you reduced your employees hours vs. laying them off? If so, have you heard about the Workshare program?

Q: What are these tax credits everyone is talking about?

A: Family First Coronavirus Response Act (FFCRA) which includes the Emergency Paid Sick Leave Act and the Emergency Family Medical Leave Expansion Act. (see our website links for more detailed information but the key takeaways are below):

- Effective on April 1, 2020 until December 31, 2020
- Mandatory for all employers with fewer than 500 employees – if you have less than 50 you may qualify for an exemption. (see certain exceptions that apply)
- All employees are considered eligible employees for the two weeks of paid sick time for COVID reasons. Employees employed for at least 30 days are eligible for up to an additional 10 weeks of paid family leave to care for a child under certain COVID related situations.
- Employers receive 100% reimbursement for paid leave including health insurance costs and payroll tax liabilities. However, we do not currently have any guidance from the IRS on how to do this. Should be available the week of March 30th but luckily there is a 30-day non-enforcement period for good faith efforts.
- See the chart on our website for which reasons qualify, the duration of leave, and the calculation of their pay.
- Note: There has been some confusion on whether the mandatory shut down by the Governor is a qualifying reason for leave under the FFCRA. As far as we are aware, NO this is not. Instead, those employees should apply for unemployment as soon as possible.

Q: What should I know about the Michigan Unemployment Guidelines?

A: Any employee who is planning on filing for unemployment should file as soon as they are laid off, as the claim starts the week that you file. If you wait 30 days for example, you will not get unemployment for those 30 days. (see our website links for more detailed information but the key takeaways are below):

- It is strongly encouraged that employers place their employees on temporary leave as opposed to termination. There is no additional cost to employers, employees remain eligible for



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unemployment benefits and they remain eligible for potential federal assistance. The employer should specify a temporary leave with return to work expected within 120 days.

- Employers must provide the employee with a formal Unemployment Compensation Notice (UIA 1711) that includes their Employer Account Number and Federal Identification Number.
- Under the governor's order, unemployment benefits would be extended to sick workers that do not have access to paid family and medical leave, workers caring for loved ones, first responders. The order also increased benefits from 20 to 26 weeks, application eligibility period increased from 14 to 28 days.

Q: What if the employer is cutting hours vs. laying off its employees?

A: The Michigan Work Share Program allows the employer to keep its employees working with reduced hours, while employees collect partial unemployment benefits that make up a portion of the lost wages. This is a way for the employer to maintain operational productivity and hang on to its skilled workers. There are many fine details on this so please point your client to the MI website [HERE](#)

- The employer must go through an application process to be approved for the work share program.
- The employer is required to have a minimum of 2 employees in the program in order to be approved for the program.
- The key is that the employer must certify that participation in a plan is in lieu of a temporary lay-off which reduces employees' normal work hours by at least 15% but not more than 45%.
- The program requires employers to maintain the fringe benefits of participating employees.

Q: What tax returns and payments are extended until July 15th?

A: In general, all federal income tax returns and payments that were due on April 15th have been extended until July 15th. This applies to all taxpayers including individuals, trusts, estates, corporations, and other non-corporate filers. It does NOT apply to payroll and excise taxes or gift tax returns. See the link on our website for more details and the FAQ's section. Note that as of today, the state of Michigan has NOT formally announced that it will follow the new extended federal deadline. While we certainly assume they will we are closely monitoring this. So far Grand Rapids and Walker have announced the later date.

Q: What if my clients have an overpayment on their 2019 tax return?

A: This should be a discussion with your client, but it may be preferred to get cash into the individuals hands now and instead of applying their overpayment to 2020 just refund instead. They then could get the cash and not have to pay in first quarter until July 15th.

Q: What is the deal with the Q2 estimate due date of June 15th?

A: The IRS has specifically stated that this deadline will stay in place but practically we believe that if the taxpayer pays in Q1 and Q2 amount on July the penalties and underpayment could be avoided.



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However, the communication to clients should be that for now we are awaiting further guidance but that as we approach the June 15th deadline we will advise on payments. It is important for taxpayers to know that there could be a chance they need to pay in June vs. waiting until July.

Q: What is in this new Stimulus Package?

A: At this time there is an overwhelming amount of information out there that we are all learning day to day. We all can do our part by sharing information as we learn about it to the new Teams group. This will be the next piece that we will be dissecting and will provide as much helpful information as we can.