



Clients, colleagues, and friends:

As we all acclimate to local and national efforts to curtail the COVID-19 pandemic, we at Green & Sklarz LLC wanted to provide you with some information:

First, Green & Sklarz is presently open and conducting business. If this changes we will update you. Whether our office is open or not, all of our lawyers, professionals, and staff have the capability to work remotely. Thus, substantive work on your matter will proceed uninterrupted. Note, many courts and governmental agencies have reduced their operations, which we have no control over. Thus, please understand that court matters may be delayed during this time. The U.S. Tax Court session scheduled for March 16<sup>th</sup> has been canceled.

Second, after consulting with medical professionals we are making efforts to limit person-to-person contact. Thus, to the extent possible, all communications with us should be via email, telephonic or by video conference. In person meetings will be limited to emergency situations only.

Finally, we wanted to provide you with an update as to efforts the state and federal government are taking to assist businesses and individuals.

**HR 6201 – The Families First Coronavirus Response Act (FFCRA)**

**Read HR 6201:** <https://www.congress.gov/bill/116th-congress/house-bill/6201>

The FFCRA in its present form, as passed by the House, is inadequate to address most economic issues. Perhaps the Senate will improve it but, at this time, the Senate is expected to pass the bill largely unchanged. For example, the FFCRA does not provide funding for grants to non-profits or make easy credit available to small businesses. This is troubling because many companies, those in the hospitality industry, for example, will be gravely affected by the curtailment of economic activity. Supposedly, a follow-up bill will be forthcoming to address economic issues.

Following is a summary of what the FFCRA does accomplish:

### Nutritional Waivers (Division A, B)

- Adds \$500 million to SNAP, WIC
  - Suspension of work requirements for SNAP
  - Provides additional assistance to families with school age children receiving so-called “free lunch” (when schools are closed more than 5 days in fiscal 2020)
- States can also carry out this function
- The new rules have a funding sunset 9/30/2020
- Provides the Agriculture Department additional authority to purchase key commodities
- Allocates \$250 million for home nutrition programs for the elderly

### Worker Protection (Division C)

- OSHA to promulgate rules on workplace safety for dealing with COVID-19

### Emergency Paid Sick Leave (Division D)

- Establishes rules and rule-making authority for who qualifies (typically, if you are sick, quarantined, or caring for someone who is sick)
- **Applies only to employers with less than 500 employees. Employers with less than 50 employees can ask for waivers.**
- Also applies to self-employed individuals
- If employers offer emergency paid sick leave, they can claim refundable tax credits of 100% of the amount paid credited against the employer portion of Social Security taxes, subject to certain caps.
  - Self-employed individuals qualify for this tax credit
  - The employer must apply for reimbursement (although the IRS is granted rule making authority to implement this aspect of the law)
- Benefits are paid under the Social Security Act and through the Social Security Administration
- Individuals must apply
- Benefit amount: 2/3<sup>rd</sup> of an individual’s average monthly earnings, capped at \$4000
- Benefit time: up to 30 days
- The amount is reduced by state and private benefits received
- Sunsets on 1/18/2021
- Benefits may be applied for retroactively for the 180-day period prior to the end of the benefit period
- Application:

- “An application for an emergency paid leave benefit under this section for a 30-day period shall include— “(A) an attestation by the individual— “(i) that he or she is an eligible individual; ‘(ii) that at least 14 emergency leave days with respect to the individual occurred, or are expected to occur, during such period; and (iii) that the individual has informed his or her employer of the individual’s need to take emergency leave, if the individual has an employer.”
- The right to receive benefits will be presumed. The SSA must prove you are NOT entitled to benefits
- If states offer similar coverage, they may apply for federal reimbursement
- The emergency sick pay does not affect SSDI or SSI
- Public health emergencies (such as caring for someone struck by COVID-19) is a qualifying event under FMLA
- Emergency leave benefits are not taxable income

#### Unemployment Insurance (Division E)

- Allocates \$1 billion to additional unemployment insurance (administered by the states)
- Provides state flexibility in extending unemployment benefits

#### Health Provisions (Division G)

- COVID-19 tests are paid for by federal government

#### IRS Guidance

IRS COVID-19 page: <https://www.irs.gov/coronavirus>

- Notice 2020-15: High deductible health plans can cover COVID-19 testing without jeopardizing status. <https://www.irs.gov/system/files/irs-drop/n-20-15.pdf>
- No guidance on anything else

#### SBA Guidance

SBA COVID-19 page: <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-provide-disaster-assistance-loans-small-businesses-impacted-coronavirus-covid-19>

- Qualifying businesses and non-profits are eligible for emergency loan program
  - Must show no other source of credit
  - Interest rate is 3.75% for up to 30 years (2.75% for non-profits)

## **State of Connecticut**

State of CT COVID-19 page: <https://portal.ct.gov/coronavirus>

- Moratorium on utility shut-offs (<https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-provide-disaster-assistance-loans-small-businesses-impacted-coronavirus-covid-19>)

In sum, we hope that the state and federal governments act quickly to do more. In the meantime, if Green & Sklarz can assist you, please let us know.