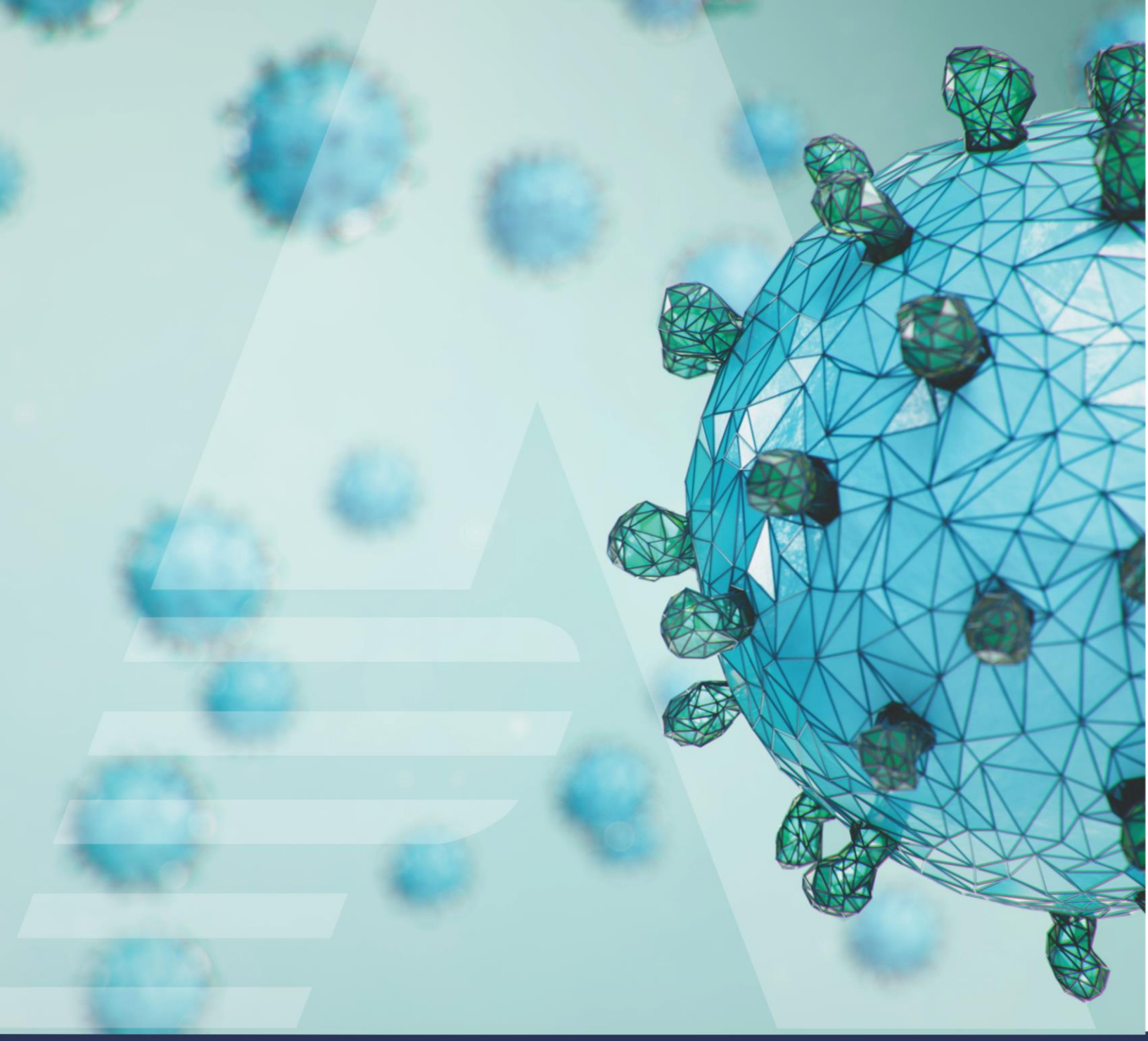
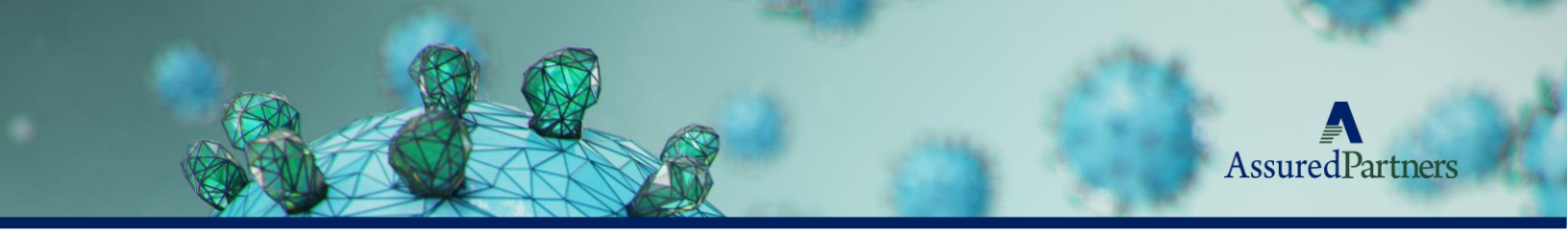


Frequently Asked Questions

COVID-19

AssuredPartners

Midwest Region



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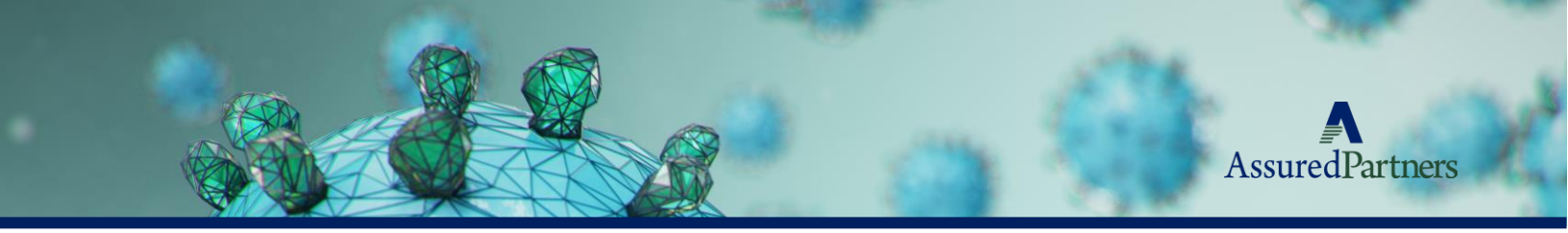
COVID-19 Disclaimer: *Any statements contained herein relating to the impact of COVID-19 and/or the coronavirus on insurance coverage or any insurance policy is not a legal opinion, warranty, or guarantee and should not be relied upon as such. The situation surrounding COVID-19/coronavirus is changing constantly; as a result, any discussions that might take place may not necessarily reflect the latest information regarding recently-enacted, or pending or proposed legislation or guidance that could override, alter or otherwise affect existing insurance coverage. Answers to policy-specific questions will always depend on the terms and conditions of an individual policy and the specific facts relating to a potential claim. As insurance agents/brokers, we do not have the authority to make coverage decisions or render legal advice.*



HEALTH & SAFETY

1. **If an employee appears sick, what should I do?**

   If an employee comes to work with a fever or difficulty breathing, this indicates that they should seek medical evaluation. While these symptoms are not always associated with influenza and the likelihood of an employee having the COVID-19 coronavirus is extremely low, it pays to err on the side of caution. Retrain your supervisors on the importance of not overreacting to situations in the workplace potentially related to COVID-19 in order to prevent panic among the workforce. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs*)*

2. **Can I ask an employee to stay home or leave work if they exhibit symptoms of the COVID-19 coronavirus or the flu?**

   Yes, you are permitted to ask them to seek medical attention and get tested for COVID-19. The CDC states that employees who exhibit symptoms of influenza-like illness at work during a pandemic should leave the workplace. The Equal Employment Opportunity Commission (EEOC) confirmed that advising workers to go home is permissible and not considered disability-related if the symptoms present are akin to the COVID-19 coronavirus or the flu. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs*)*

3. **Can I take an employee's temperature at work to determine whether they might be infected?**

   Yes. The EEOC confirmed that measuring employees' body temperatures is permissible given the current circumstances. While the Americans with Disabilities Act (ADA) places restrictions on the inquiries that an employer can make into an employee's medical status, and the EEOC considers taking an employee's temperature to be a "medical examination" under the ADA, the federal agency recognizes the need for this action now because the CDC and state/local health authorities have acknowledged community spread of COVID-19 and issued attendant precautions.

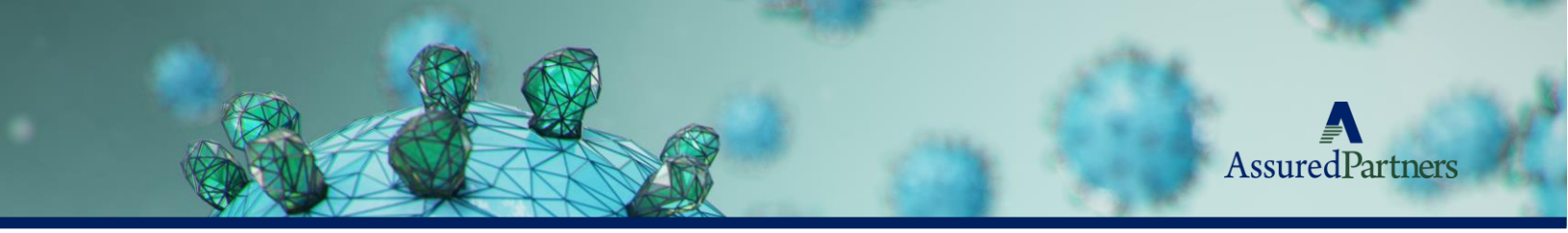
   However, as a practical matter, an employee may be infected with the COVID-19 coronavirus without exhibiting recognized symptoms such as a fever, so temperature checks may not be the most effective method for protecting your workforce. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs*)*

4. **I do not want to expose myself or one of my employees to the risk associated with taking my employee's temperatures, is there a resource that can help with this?**

   Yes. Contact your AssuredPartners Employee Benefit team for information.

5. **An employee of ours has tested positive for COVID-19. What should we do?**

   The infected employee should be sent home until released by their medical provider or local health provider. You should send home all employees who worked closely with that employee to ensure the infection does not spread. Before the infected employee departs, ask them to identify all individuals who worked in close proximity (within six feet) for a prolonged period of time (10



minutes or more to 30 minutes or more) with them during the 48-hour period before the onset of symptoms to ensure you have a full list of those who should be sent home. When sending the employees home, do not identify by name the infected employee or you could risk a violation of confidentiality laws. If you work in a shared office building or area, you should inform building management so they can take whatever precautions they deem necessary. The CDC provides that the employees who worked closely to the infected worker should be instructed to proceed based on the CDC Public Health Recommendations for Community-Related Exposure. This includes staying home until 14 days after last exposure, maintaining social distance from others, and self-monitoring for symptoms (i.e., fever, cough, or shortness of breath).

How long should the employees who worked near the employee stay at home? Those employees should first consult and follow the advice of their healthcare providers or public health department regarding the length of time to stay at home. The CDC recommends that those who have had close contact for a prolonged period of time with an infected person should remain at home for 14 days after last exposure. If they develop symptoms, they should remain home for at least seven days from the initial onset of the symptoms, three days without a fever (achieved without medication), and improvement in respiratory symptoms (e.g., cough, shortness of breath).

The CDC has released relaxed guidelines for critical infrastructure workers, as previously defined by the Cybersecurity and Infrastructure Security Agency, who have been potentially exposed to COVID-19. Under the relaxed guidelines, critical infrastructure workers potentially exposed to COVID-19 may continue to work following exposure provided they remain symptom-free and employers implement additional precautions to protect the employee and the community:

For Employers:

- Measure the employee's temperature and assess symptoms prior to permitting the worker resuming work, ideally, before they enter the facility.
- Clean and disinfect all areas such as offices, bathrooms, common areas, shared electronic equipment routinely.

For Employees:

- Self-monitor under the supervision of their employer's occupational health program.
- Wear a face mask at all times while in the workplace for 14 days after last exposure.
- Maintain a six-foot distance from others and otherwise observe social distancing in the workplace as work duties permit.

Critical infrastructure employees who become sick during the workday should continue to be sent home immediately. You should notify those who had contact with the ill employee while be employee had symptoms, and two days prior to the symptoms appearing. You should then implement additional precautions for those employees as described above. (*Source: Fisher Phillips - https://www.fisherphillips.com/faqs)*

Review the CDC Resources for Businesses and Employers for recommendations on cleaning and disinfecting your workplace.

6. **One of our employees has a suspected but unconfirmed case of COVID-19. What should we do?**

   Take the same precautions as noted above. Treat the situation as if the suspected case is a confirmed case for purposes of sending home potentially infected employees. Communicate with your affected workers to let them know that the employee has not tested positive for the virus but has been exhibiting symptoms that lead you to believe a positive diagnosis is possible.

   As discussed above, critical infrastructure workers who have been potentially exposed may continue to work if they are asymptomatic and the additional precautions are implemented. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

7. **One of our employees self-reported that they came into contact with someone who had a presumptive positive case of COVID-19. What should we do?**

   Take the same precautions as noted above. Treat the situation as if the suspected case is a confirmed case for purposes of sending home potentially infected employees. Communicate with your affected workers to let them know that the employee is asymptomatic for the virus, but you are acting out of an abundance of caution.

   For critical infrastructure workers, they may continue to work if they are asymptomatic and you implement the additional precautions discussed above. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

8. **One of our employees has been exposed to the virus but only found out after they had interacted with clients and customers. What should we do?**

   Take the same precautions as noted above with respect to coworkers, treating the situation as if the exposed employee has a confirmed case of COVID-19 and sending home potentially infected employees that he came into contact with. As for third parties, you should communicate with customers and vendors that came into close contact with the employee to let them know about the potential of a suspected case.

   For critical infrastructure workers, they may continue to work if they are asymptomatic and you implement the additional precautions discussed above. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs*)*

9. **If we learn or suspect that one of our employees has COVID-19, do we have a responsibility to report this information to the CDC?**

   There is no obligation to report a suspected or confirmed case of COVID-19 to the CDC. The healthcare provider that receives the confirmation of a positive test result is a mandatory reporter who will handle that responsibility. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs*)*

10. **Can we require an employee to notify the company if they have been exposed, have symptoms, and/or have tested positive for the COVID-19 coronavirus?**

    Yes. You should require any employee who becomes ill at work with COVID-19 coronavirus symptoms to notify their supervisor. Employees who are suffering from symptoms should be directed to remain at home until they are symptom-free for at least 24 hours.

    While outside of work, if an employee begins experiencing symptoms, has been exposed to someone that is exhibiting symptoms, or has tested positive, the employee should contact your company by telephone or email and should not report to work. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

11. **Can an employee refuse to come to work because of fear of infection?**

    Employees are only entitled to refuse to work if they believe they are in imminent danger. Section 13(a) of the Occupational Safety and Health Act (OSH Act) defines "imminent danger" to include "any conditions or practices in any place of employment which are such that a danger exists which can reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Act." OSHA discusses imminent danger as where there is "threat of death or serious physical harm," or "a reasonable expectation that toxic substances or other health hazards are present, and exposure to them will shorten life or cause substantial reduction in physical or mental efficiency."

    The threat must be immediate or imminent, which means that an employee must believe that death or serious physical harm could occur within a short time, for example, before OSHA could investigate the problem. Requiring travel to China or to work with patients in a medical setting without personal protective equipment at this time may rise to this threshold. Most work conditions in the United States, however, do not meet the elements required for an employee to refuse to work. Once again, this guidance is general, and employers must determine when this unusual state exists in your workplace before determining whether it is permissible for employees to refuse to work.

    In addition, Section 7 of the National Labor Relations Act (NLRA) extends broad-based statutory protection to those employees (in union and non-union settings alike) to engage in "protected concerted activity for mutual aid or protection." Such activity has been defined to include circumstances in which two or more employees act together to improve their employment terms and conditions, although it has been extended to individual action expressly undertaken on behalf of co-workers.

    On its own website, the National Labor Relations Board (NLRB) offers a number of examples, including, "talking with one or more employees about working conditions," "participating in a concerted refusal to work in unsafe conditions," and "joining with co-workers to talk to the media about problems in your workplace." Employees are generally protected against discipline or discharge for engaging in such activity.

Before disciplining or discharging an employee for refusal to come to work we recommend you discuss the matter with your own legal counsel. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

12. What actions can we take if an employee is exhibiting flu-like symptoms but refuses to leave the workplace?

You should first take a collaborate approach. Remind the employee that you are asking them to leave. Try to make them understand the reasons why their departure is necessary to maintain the health and safety of the entire workplace. If there are benefits available such as paid sick leave, use of accrued vacation, or something else that may appease them, you should explain these benefits and how the employee can utilize them.

If the employee still refuses to leave the workplace, you can consider (a) explaining that the employee is now trespassing on private property and if they do not leave you will be forced to call local law enforcement to escort them off the premises; or (b) terminating the employee for insubordination. Termination of the employee, however, should be considered a last resort. Given the current climate, you will need to also consider public perception related to taking overly strong adverse action against an employee expressing concerns or apprehension related to the coronavirus. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

13. Is COVID-19 a recordable illness for purposes of OSHA Logs?

OSHA has published guidance on this issue. OSHA recordkeeping requirements mandate covered employers record certain work-related injuries and illnesses on their OSHA 300 log. You must record instances of workers contracting COVID-19 if the worker contracts the virus while on the job. The illness is not recordable if worker was exposed to the virus while off the clock. You are responsible for recording cases of COVID-19 if:

- The case is a confirmed case of COVID-19;
- The case is work-related, as defined by 29 CFR 1904.5; and
- The case involves one or more of the general recording criteria set forth in 29 CFR 1904.7 (e.g. medical treatment beyond first-aid, days away from work).

OSHA recently published guidance for enforcing their recordkeeping requirements for cases of COVID-19. Recognizing the difficulty in determining whether COVID-19 was contracted while on the job, OSHA will not enforce its recordkeeping requirements that would require employers in areas where there is ongoing community transmission to make work-relatedness determinations for COVID-19 cases, except where:

- There is objective evidence that a COVID-19 case may be work-related; and
- The evidence was reasonably available to the employers.

This waiver of enforcement does not apply to employers in the healthcare industry, emergency response organizations (e.g., emergency medical, firefighting and law enforcement services), and correctional institutions in areas where there is ongoing community transmission. These employers

must continue to make work-relatedness determinations. *(Source: Fisher Phillips - https://www.fisherphillips.com/faqs)*

We recommend you review and monitor information provided on OSHA's COVID-19 Website as well as their OSHA COVID-19 Guidance.

CONFIDENTIALITY

14. Does the COVID-19 coronavirus emergency trump HIPAA privacy rules?

No, the government recently sent a stern reminder to all employers, especially those involved in providing healthcare, that they must still comply with the protections contained in the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule during the COVID-19 coronavirus outbreak. The Office for Civil Rights of the U.S. Department of Health and Human Services (HHS) issued a reminder after the WHO declared a global health emergency. In fact, the Rule includes provisions that are directly applicable to the current circumstances. (*Source: Fisher Phillips - https://www.fisherphillips.com/faqs*)

15. What are our obligations under the HIPAA privacy rules if we are contacted by officials asking for emergency personal health information about one of our employees?

The privacy restrictions mandated by HIPAA only apply to "covered entities" such as medical providers or employer-sponsored group health plans, and then only in connection with individually identifiable health information. Employers are not covered entities, so if you have medical information in your employment records, it is not subject to HIPAA restrictions.

Nevertheless, disclosures should be made only to authorized personnel, and care should be taken even in disclosures to government personnel or other groups such as the Red Cross. Further, you should be careful not to release information to someone until you have properly identified them. (*Source: Fisher Phillips - https://www.fisherphillips.com/faqs*)

16. How should we treat medical information?

We recommend you treat all medical information as confidential and afford it the same protections as those granted by HIPAA in connection with your group health plan. In certain circumstances, if you have plan information, you can share it with government officials acting in their official capacity, and with health care providers or officially chartered organizations such as the Red Cross. For example, you can share protected health information with providers to help in treatment, or with emergency relief workers to help coordinate services.

In addition, you can share the information with providers or government officials as necessary to locate, identify, or notify family members, guardians, or anyone else responsible for an individual's care, of the individual's location, general condition, or death. In such case, if at all possible, you should get the individual's written or verbal permission to disclose.

However, if the person is unconscious or incapacitated, or cannot be located, information can be shared if doing so would be in the person's best interests. In addition, information can be shared with organizations like the Red Cross, which is authorized by law to assist in disaster relief efforts, even without a person's permission, if providing the information is necessary for the relief organization to respond to an emergency.

Finally, information can be disclosed to authorized personnel without permission of the person whose records are being disclosed if disclosure is necessary to prevent or lessen a serious and imminent threat to the health and safety of a person or the public.

These restrictions remain in effect, even after the outbreak has been declared a pandemic. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

EMPLOYEE BENEFITS

17. If our employees are no longer working, are they still entitled to group health plan coverage?

Not necessarily. You must check your group health plan documents (or certificate of coverage if your plan is fully insured) to determine how long employees who are not actively working may remain covered by your group health plan. Once this period expires, active employee coverage will be terminated (unless the insurance carrier or self-funded plan sponsor otherwise agrees to temporarily waive applicable eligibility provisions) and a COBRA notice must be sent. If your plan is self-funded and you would like to waive applicable plan eligibility provisions, you should first make sure that any stop-loss coverage insurance carriers agree to cover claims relating to participants who would otherwise be ineligible for coverage. Plan sponsors must notify participants of any changes made to their plan(s) as soon as reasonably practicable. See Question #22 for more information. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

Refer to Question #37 for employees who are no longer working but are taking emergency paid leave or expanded family and medical leave under the Families First Coronavirus Relief Act (FFCRA).

18. What happens to group health plan coverage if employees are not working and unable to pay their share of premiums?

In the normal course of events, group health plan coverage will cease when an employee's share of premiums is not timely paid. However, several actions might be taken that could allow coverage to continue.

First, the insurance carrier providing the health coverage may voluntarily continue the coverage while the disaster is sorted out and until an employer reopens its doors. More likely, the employer may make an arrangement with the insurance carrier providing health coverage to pay the employees' share of premiums to keep coverage in place (at least temporarily) and possibly until the employer can reopen its doors. Each situation will be different, depending upon the insurance carrier and the relationship between the employer and the insurance carrier. Therefore, each

factual situation will need to be individually assessed. (*Source: Fisher Phillips* - https://www.fisherphillips.com/faqs)

19. **Due to a reduction in hours scheduled to be worked, our company believes that many of our employees will have insufficient compensation to cover the cost of their benefits elections. Do we have the option of continuing their benefits and collecting their past-due premium payments when their work schedule returns to normal and charging "catch-up" premiums?**

    It is likely that this sort of arrangement is permissible, but the employer should set up, clearly communicate about, and consider whether it is required to obtain the employee's consent to a new payment schedule. It may be the case that the company's benefit plan already contemplates catch-up payments for benefits continued during an unpaid leave of absence, but this probably is not the common case, other than for leaves under the Family and Medical Leave Act (FMLA). An employer, contemplating benefit plan catch-up payments, should consult with appropriate counsel to ensure that both Internal Revenue Code and state wage laws are considered before a new payment schedule is implemented. (*Source: Baker Hostetler* - https://www.bakerlaw.com/alerts/covid-19-employee-benefits-updates)

20. **We have decided to institute employee furloughs; employees will remain employees but will be asked to not provide services for a period of time. Are there any health plan and ACA issues we need to consider?**

    Where a company has determined that it needs to furlough employees, the company will need to determine whether and how it will handle the continuation of health care for those employees. If the furlough will result in employees experiencing a reduction in hours triggering a loss of health care plan eligibility, a COBRA-qualifying event will have occurred (so long as the company is subject to COBRA). The company will need to offer COBRA coverage to the qualifying beneficiaries; however, such coverage may be unaffordable for certain (or all) employees and expose the company to ACA employer mandate penalties for failure to provide affordable coverage (if the company is large enough to be subject to the ACA employer mandate). If this is the case, the company could decide to accept such exposure and play the odds of how many employees will qualify for subsidized exchange coverage as a result of the furlough. Or the company could decide to subsidize the COBRA coverage so that it will not be unaffordable. Any company considering the furlough of employees should carefully consider the health plan, the ACA and other employee benefits implications of such an action. (*Source: Baker Hostetler* - https://www.bakerlaw.com/alerts/covid-19-employee-benefits-updates)

21. **Should COBRA be offered to employees who are sent home or cannot work for COVID-19-related reasons?**

    Generally, COBRA applies only if there is a triggering event (e.g., termination of employment or reduction in hours) that results in a loss of group health plan coverage. Each employer will have to look at this based on its current plan provisions and leave policies to determine whether this type of situation triggers a COBRA qualifying event. In the current environment, employers may want to exercise some flexibility, but they should clearly document changes from their normal procedures

and notify third parties who may be affected by these changes, such as insurance carriers. (*Source: Baker Hostetler* - https://www.bakerlaw.com/alerts/covid-19-employee-benefits-updates)

22. How should I communicate health plan changes to employees during this crisis?

All communications should be made to employees in the manner most likely to ensure actual receipt of the information under the circumstances. In addition, the employer should always offer the employees a paper copy of any plan information upon request, and upon receipt of any such request, providing such paper copy. While ERISA would allow 30 days to respond to such a request, many employers are trying to respond to any plan document requests as soon as administratively feasible. Plan changes in this context could be material changes to the Summary of Benefits and Coverage, so in addition to communicating with employees through the normal course, employers will want to consider updates that will be needed to their plan documents, Summary Plan Descriptions (SPDs), and Summary of Benefits and Coverage (SBCs). (*Source: Ogletree Deakins* - https://ogletree.com/insights/covid-19-faqs-on-federal-labor-and-employment-laws/)

23. Does a reduction in pay entitle employees to change their elections for health coverage or health FSA benefits mid-year?

Midyear election changes can only be allowed when there is an event recognized under IRS regulations as permitting a change in election. A reduction in a participant's or family's income, standing alone, is not a permitted election change event, although it might occur in connection with another event that might permit a midyear election change. A pay cut is not a change in employment status, unless the compensation decrease affects plan eligibility, which is unlikely. Neither does a pay cut trigger the cost-change rules, which require changes in the dollar amount of the cost of benefits. Note also that the cost-change rules do not apply to health FSAs.

Note: If the pay cut causes the employee to become newly eligible for an Exchange subsidy, thus triggering an Exchange special enrollment period, a separate Exchange enrollment event may allow certain election changes. (*Source: McGregor and Associates* - https://www.mcgregoreba.com/covid19.html)

24. How do I handle FSA elections if employees are terminated during this crisis?

Workforce reductions and other employment terminations may occur more frequently during a recession, and may raise cafeteria plan issues such as the following:

- whether the employer's health FSA qualifies for the special limited COBRA obligation and other COBRA administration issues that can arise under health FSAs;
- whether severance can be used to pay for COBRA coverage or other benefits through the cafeteria plan;
- the extent to which terminated employees can access underspent FSAs or DCAPs to pay for expenses incurred after participation terminates;
- issues arising from the uniform coverage rule for health FSAs, including the extent to which the employer's risk of loss (overspent accounts) under health FSA can be minimized; and

- issues arising from the use-or-lose rule, including how to deal with experience gains arising from participant forfeitures or attempts to use up health FSA benefits before termination through "stockpiling".

Employers should be advised that there is a "safe harbor" in place for employees that are rehired. Because termination/rehire situations with an unemployment period of 30 days or less may be closely scrutinized by the IRS, administrators should typically follow the “step back into” rule when these situations occur. Under this approach, (1) the maximum annual FSA benefit would not decrease during a leave of less than 30 days where coverage continues; (2) expenses incurred during the period of noncoverage would not be eligible; and (3) the employer would be prohibited from "catching up" salary reductions upon the employee's return. Generally, the "step back into" method follows the reinstatement of major medical coverage, but if you would like the FSA provisions to be different, an amendment may need to be made to your document. When more than 30 days have elapsed between an employee’s termination and rehire, the plan (by design) can either allow a new election, require that the old election be reinstated, or keep the participant out of the plan until the next year. (*Source: McGregor and Associates* - https://www.mcgregoreba.com/covid19.html)

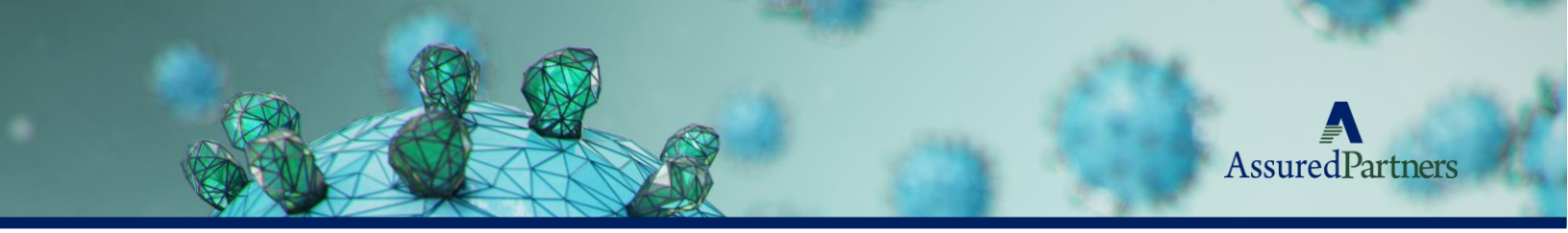
25. One of our employees would like to revoke his DCAP election under our calendar-year cafeteria plan because his dependent care provider has closed due to the COVID-19 pandemic, and a neighbor has offered to take care of his child at no cost. Can I allow a midyear election change under these circumstances?

Yes, provided that your plan document has been drafted as expansively as IRS rules allow for midyear election changes due to changes in cost or coverage. The rules apply broadly to dependent care assistance programs (DCAPs), permitting midyear election changes in a variety of circumstances involving changes in care providers or in the cost of care. IRS officials have informally commented that a DCAP election change is permitted when a child is switched from a paid provider to free care (or no care, in the case of a "latchkey" child). Other circumstances in which IRS rules would allow a DCAP election change include changes in the hours for which care is provided and changes in the fee charged by a provider. However, an election change is not allowed if a cost change is imposed by a care provider who is the employee's relative as defined in IRS rules. (*Source: EBIA Weekly Newsletter 4.9.20/Thomson Reuters*)

26. My insurance carrier provided a special enrollment period so employees who previously waived health coverage could now enroll. If an employee enrolled during this special enrollment period can I take the employee’s deductions on a pre-tax basis?

No. These special enrollments are not a recognized mid-year election change event which would allow premium contributions to be taken on a pre-tax basis.

In addition, if an employee who originally waived coverage for his/her spouse and/or dependents chooses to enroll the spouse and/or dependents in coverage during this special enrollment period any increase in premium contributions for the additional coverage must be taken on a post-tax basis.



FAMILIES FIRST CORONAVIRUS RELIEF ACT

27. What is the Families First Coronavirus Relief Act (FFCRA)?

The Families First Coronavirus Relief Act (FFCRA) is an Act of Congress (H.R. 6201) meant to respond to the economic impacts of the ongoing 2019–20 coronavirus pandemic. The Act provides for:

- Paid sick leave under the Emergency Paid Sick Leave Act (EPSLA) and expanded family and medical leave under the Emergency Family and Medical Leave Expansion Act (EFMLEA) for some employees related to the Coronavirus (COVID-19) pandemic
- Funding for economic assistance
- Health plan coverage of COVID-19 testing at no charge to participants

28. Which employers are subject to the EPSLA and the EFMLEA provisions of the FFCRA?

The expanded FMLA requirements under the FFCRA apply to private employers with fewer than 500 employees, and some government employers. In general, nonfederal public agencies are covered by the expanded FMLA leave requirements, but most federal government agencies are not. The FFCRA paid sick leave requirements apply to all private employers with fewer than 500 employees, and all government employers.

29. If I am a private sector employer with 500 or more employees, do the FFCRA leave provisions apply to me?

No. Private sector employers with 500 or more employees are not required to provide emergency paid sick leave (EPSL) or expanded family and medical leave (EFML) under the FFCRA.

30. Does the FFCRA apply to nonprofits?

Yes. If a nonprofit employer otherwise meets the requirements for coverage it is subject to the FFCRA.

31. Are there any exemptions from providing emergency paid sick leave (EPSL) or expanded family and medical leave (EFML) under the FFCRA?

Yes. An employer, including a religious or nonprofit organization, with fewer than 50 employees (small business) is exempt from providing (a) paid sick leave due to school or place of care closures or childcare provider unavailability for COVID-19 related reasons and (b) expanded family and medical leave due to school or place of care closures or childcare provider unavailability for COVID-19 related reasons when doing so would jeopardize the viability of the small business as a going concern. A small business may claim this exemption if an authorized officer of the business has determined that:

- The provision of EPSL or EFML would result in the small business's expenses and financial obligations exceeding available business revenues and cause the small business to cease operating at a minimal capacity;

- The absence of the employee or employees requesting EPSL or EFML would entail a substantial risk to the financial health or operational capabilities of the small business because of their specialized skills, knowledge of the business, or responsibilities; or
- There are not sufficient workers who are able, willing, and qualified, and who will be available at the time and place needed, to perform the labor or services provided by the employee or employees requesting EPSL or EFML, and these labor or services are needed for the small business to operate at a minimal capacity.

In addition, employers of certain health care providers and/or emergency responders may exclude such employees from taking EPSL or EFML.

32. Who is a "health care provider" who may be excluded by their employer from paid sick leave and/or expanded family and medical leave?

For the purposes of Employees who may be exempted from Paid Sick Leave or Expanded Family and Medical Leave by their Employer under the FFCRA, a health care provider is anyone employed at any doctor's office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility, nursing home, home health care provider, any facility that performs laboratory or medical testing, pharmacy, or any similar institution, Employer, or entity. This includes any permanent or temporary institution, facility, location, or site where medical services are provided that are similar to such institutions.

This definition includes any individual employed by an entity that contracts with any of these institutions described above to provide services or to maintain the operation of the facility where that individual's services support the operation of the facility. This also includes anyone employed by any entity that provides medical services, produces medical products, or is otherwise involved in the making of COVID-19 related medical equipment, tests, drugs, vaccines, diagnostic vehicles, or treatments. This also includes any individual that the highest official of a State or territory, including the District of Columbia, determines is a health care provider necessary for that State's or territory's or the District of Columbia's response to COVID-19.

To minimize the spread of the virus associated with COVID-19, the Department encourages employers to be judicious when using this definition to exempt health care providers from the provisions of the FFCRA.

33. Who is an emergency responder?

For the purposes of Employees who may be excluded from Paid Sick Leave or Expanded Family and Medical Leave by their Employer under the FFCRA, an emergency responder is anyone necessary for the provision of transport, care, healthcare, comfort and nutrition of such patients, or others needed for the response to COVID-19. This includes but is not limited to military or national guard, law enforcement officers, correctional institution personnel, fire fighters, emergency medical services personnel, physicians, nurses, public health personnel, emergency medical technicians, paramedics, emergency management personnel, 911 operators, child welfare workers and service

providers, public works personnel, and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency, as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility. This also includes any individual whom the highest official of a State or territory, including the District of Columbia, determines is an emergency responder necessary for that State's or territory's or the District of Columbia's response to COVID-19.

To minimize the spread of the virus associated with COVID-19, the Department encourages employers to be judicious when using this definition to exempt emergency responders from the provisions of the FFCRA.

34. What is the effective date of the FFCRA?

The FFCRA's paid leave provisions are effective on **April 1, 2020**, and apply to leave taken between April 1, 2020, and December 31, 2020.

35. Can an employer provide EPSL and the EFML retroactively?

No. Both leaves are only permitted between April 1, 2020 and December 31, 2020.

36. If we closed our business/worksite prior to April 1, 2020, can our employees still get emergency paid sick leave or expanded family and medical leave?

No. If, prior to the FFCRA's effective date, you closed your business/worksite your employees will not get EPSL or EFML. However, they may be eligible for unemployment insurance benefits. This is true whether you closed the business/worksite for lack of business or because it was required to close pursuant to a Federal, State, or local directive.

37. If we close our business/worksite on or after April 1, 2020 will our employees be eligible for EPSL or EFML leave?

No. If you close after the FFCRA's effective date (even if an employee(s) requested leave prior to the closure), your employees will not get EPSL or EFML but may be eligible for unemployment insurance benefits. This is true whether you close your business/worksite for lack of business or because it was required to close pursuant to a Federal, State or local directive.

38. If we laid off employees prior to April 1, 2020 (the effective date of the FFCRA), are they entitled to EFML pay and or job restoration rights?

No. If, prior to the FFCRA's effective date, the employer sends employees home and stops paying them because it does not have work, the employees will not get EPSL or EFML but the employees may be eligible for unemployment insurance benefits. This is true whether the employer closes the worksite for lack of business or because it is required to close pursuant to a Federal, State, or local directive.

39. If we stay open but furlough employees on or after April 1, 2020 (the effective date of the FFCRA), can our employees receive emergency paid sick leave or expanded family and medical leave?

No. If an employer furloughs its employees because it does not have enough work or business, its employees are not entitled to then take EPSL or EFML. However, employees may be eligible for unemployment insurance benefits.

40. What documentation, if any, do I need to keep when my employee takes EPSL or EFML?

Regardless of whether you grant or deny a request for EPSL or EFML, you must document the following:

- The name of your employee requesting leave;
- The date(s) for which leave is requested;
- The reason for leave; and
- An oral or written statement from the employee that he or she is unable to work because of the reason.

If your employee requests leave because he or she is subject to a quarantine or isolation order or to care for an individual subject to such an order, you should additionally document the name of the government entity that issued the order. If your employee requests leave to self-quarantine based on the advice of a health care provider or to care for an individual who is self-quarantining based on such advice, you should additionally document the name of the health care provider who gave advice.

If your employee requests leave to care for his or her child whose school or place of care is closed, or childcare provider is unavailable, you may must also document:

- The name of the child being cared for;
- The name of the school, place of care, or childcare provider that has closed or become unavailable; and
- A statement from the employee that no other suitable person is available to care for the child.

Private sector employers that provide paid sick leave and expanded family and medical leave required by the FFCRA are eligible for reimbursement of the costs of that leave through refundable tax credits. If you intend to claim a tax credit under the FFCRA for your payment of the sick leave or expanded family and medical leave wages, you should retain appropriate documentation in your records. You should consult Internal Revenue Service (IRS) applicable forms, instructions, and information for the procedures that must be followed to claim a tax credit, including any needed substantiation to be retained to support the credit.

41. If an employee elects to take EPSL or EFML must we continue his/her health coverage?

Employees on EPSL or EFML are entitled to continued coverage under the employer's group health plan on the same terms as if they did not take leave. The employees remain responsible for the same portion of the premium they paid before taking leave. If premiums are adjusted, the employee is required to pay the new employee premium contribution on the same terms as the other employees.

42. Which employees qualify to take emergency paid sick leave (EPSL)?

Any employee who works for you qualifies for EPSL regardless of how long the employee has been employed.

43. For what reason(s) can an employee qualify to receive EPSL?

EPSL must be made available immediately to workers who are unable to work (or telework) for any of the following six qualifying reasons:

1. The employee is subject to a federal, state or local quarantine or isolation order* related to COVID-19
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. The employee is experiencing symptoms of COVID-19 and seeking medical diagnosis;
4. The employee is caring for an individual who is subject to a federal, state or local quarantine or isolation order, or the individual has been advised to self-quarantine due to concerns related to COVID-19;
5. The employee is caring for the employee's son or daughter, if the child's school or childcare facility has been closed or the child's care provider is unavailable due to COVID-19 precautions; or
6. The employee is experiencing any other substantially similar condition specified by Health and Human Services in consultation with the Department of the Treasury and the Department of Labor.

* For purposes of the EPSLA, a quarantine or isolation order includes quarantine, isolation, containment, shelter-in-place, or stay-at-home orders issued by a Federal, State or local government authority that cause the employee to be unable to work even though his/her employer has work the employee could perform but for the order. An employee subject to one of these orders may NOT take EPSL if you do not have work for the employee, since s/he would be unable to work even if s/he were not required to comply with the order.

44. If we do not have work or telework for an employee to perform, is the employee eligible for EPSL?

No. In order for an employee to be eligible for EPSL you must have work for him/her to perform.

45. If my employee is subject to a quarantine or isolation order, or is caring for an individual under such an order, but we have work that s/he can do at home, instead of the office, is the employee eligible for EPSL?

No. An employee subject to a quarantine (including a self-quarantine) or isolation order, or who is caring for an individual under such an order, may not take paid sick leave if the employee is able to telework. In this case, an employee is able to telework if:

- You have work for the employee to perform;

- You permit the employee to perform the work from the location where the employee is quarantined or isolated; and
- There are no extenuating circumstances (such as serious COVID-19 symptoms or a power outage) that prevent the employee from performing the work.

46. If an employee is experiencing symptoms of COVID-19 but is not seeking the advice of a health care provider, is the employee eligible for EPSL?

No. An employee may not take EPSL to self-quarantine without seeking a medical diagnosis. However, an employee experiencing COVID-19 symptoms who IS seeking a medical diagnosis, may take EPSL for time spent making, waiting for, or attending an appointment for a COVID-19 test.

47. If I have telework an employee can perform while waiting for the results of a medical diagnosis, is the employee eligible for EPSL?

No, unless there are extenuating circumstances that prevents the employee from performing the work. An employee who is waiting for the results of a COVID-19 test is not eligible for EPSL if (a) you have work for the employee to perform; (b) you permit the employee to perform the work from the location where the employee is waiting/self-quarantining; and (c) there are no extenuating circumstances, such as serious COVID-19 symptoms, that prevent the employee from performing the work.

48. If an employee requests EPSL to take care of an "individual" who is subject to a quarantine or isolation order, or who is self-quarantining due to COVID-19 concerns, who is included in the definition of "individual"?

An "individual" means an employee's immediate family member, a person who regularly resides in the employee's home, or a similar person with whom the employee has a relationship that creates an expectation that the employee would care for the person if he or she were quarantined or self-quarantined. For this purpose, "individual" does not include persons with whom the employee has no personal relationship.

49. What must I provide to an employee taking EPSL?

You must provide:

- Full-time employees - up to two workweeks (80 hours) of paid sick leave
- Part-time employees - the average number of hours the employee works in a typical two-week period (special rules may apply to varying schedules)

You must provide paid sick leave at the greater of the employee's regular rate of pay or the applicable minimum wage, up to $511 per day and $5,110 in aggregate if the employees takes leave because s/he is subject to a quarantine or isolation order, has been advised to self-quarantine by a health care provider, or is experiencing symptoms of COVID-19 an is seeking a medical diagnosis (Reasons 1-3 above).

An employee taking leave for any other qualifying reason (Reasons 4-6 above) is entitled to two-thirds of his/her regular rate of pay up to $200 per day and $2,000 in aggregate.

50. Can I require an employee to use other paid leave before using EPSL?

No. You cannot require an employee to use other available paid leave before s/he uses EPSL. Any existing paid leave generally provided by you would be provided in addition to EPSL.

51. Can an employee take 80 hours of EPSL in order to self-quarantine and an additional amount of EPSL for another qualifying reason provided under the EPSLA?

No. An employee may only take a total of two weeks (or ten days) of EPSL for any combination of qualifying reasons.

52. Must I notify employees of his/her rights under the EPSLA?

Yes. The FFCRA statutory language requires employers to post a notice provided by the DOL in conspicuous places where employee notices are customarily posted. The regulations allow employers to use another format for the notice, as long as the information provided includes, at a minimum, all of the information contained in the DOL notice. In addition, the regulations state that the notice may be provided by email, direct mail or by posting the notice on an internal or external employee information website. The DOL has released two model notices (one for federal employer and one for non-federal employer) to help you meet this requirement. Federal Employee Rights.pdf; Non-Federal Employee Rights.pdf

53. Will I be reimbursed for the costs, including health care costs, related to providing an employee with EPSL?

Yes, you may receive 100% reimbursement for paid leave under the Act, including costs related to maintain health insurance coverage.

54. What must I provide under the Emergency Family and Medical Leave Expansion Act (EFMLEA)?

The EFMLEA requires you to provide up to twelve workweeks of expanded paid family and medical leave (EFML) to eligible employees who are unable to work because the employee is caring for his/her son or daughter whose school or place of care is closed or whose child care provider is unavailable, for reasons related to COVID-19.

55. Which employees qualify to take expanded family and medical leave (EFML)?

Any employee who has worked for you for at least 30 calendar days. This includes employees who were laid off or otherwise terminated on or after March 1, 2020, had worked for you for at least 30 of the prior 60 calendar days, and were subsequently rehired or otherwise reemployed by you.

56. Must I provide pay to an employee taking EFML?

Yes. The first two workweeks of EFML is unpaid, unless the employee elects to use other paid leave to which s/he may be entitled, such as vacation, sick time, personal time or emergency paid sick

leave under the EPSLA. After the first two workweeks, you must provide pay at not less than 2/3 the employee's regular rate of pay. The total payment per employee for this ten-week period is capped at $200 per day and $10,000 in the aggregate, for a total of no more than $12,000 when combined with two weeks of paid leave taken under the EPSLA.

57. Can an employee take other employer provided leave concurrently with EFML?

Yes. An employee may elect, or you may require, an employee to use EFML concurrently with any leave offered under your policies that would be available for the employee to take to care for his/her child, such as vacation, personal leave or paid time off.

58. Is all leave under the FMLA now paid leave?

No. The only type of family and medical leave that is paid leave is expanded family and medical leave under the EFMLEA when such leave exceeds two workweeks. This includes only leave taken because the employee must care for a child whose school or place of care is closed, or childcare provider is unavailable, due to COVID-19 related reasons.

59. Can an employee take EPSL for the first two weeks that s/he is out on EFML, in order to be paid for those two weeks?

Yes, an employee can use any available EPSL time during the first two weeks of EFML in order to receive pay.

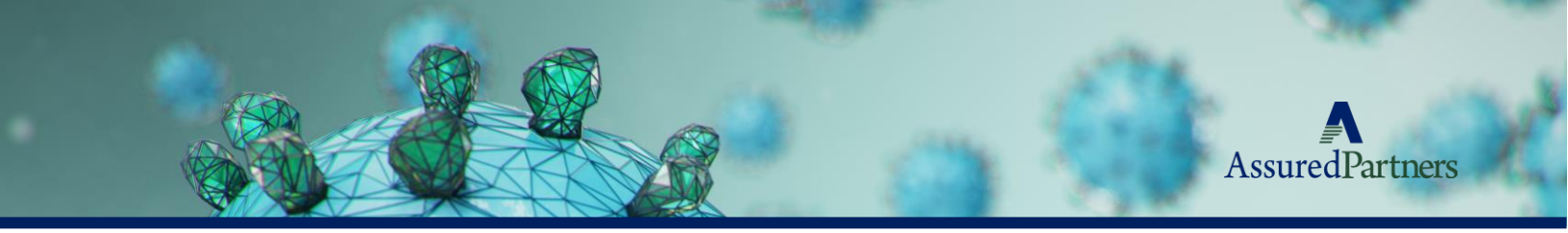
60. If my employee has already taken traditional family and medical leave in the current twelve-month leave year, is s/he entitled to an additional twelve weeks of leave under the EFMLEA?

No. An employee is only entitled to a total of twelve workweeks of family and medical leave. If an employee has already taken traditional FMLA leave in your twelve-month leave year, the amount of leave available for EFML will be reduced by the amount of traditional FMLA leave already taken. Employees who have already exhausted the full 12 weeks of traditional FMLA leave during the 12-month period may not take EFML.

61. When an employee returns from expanded family and medical leave must I restore him/her to the same or a similar position?

Yes, however if you have 25 or fewer employees you are exempt from this requirement if all of the following conditions are met:

- The position held by the employee no longer exists due to economic or other operating conditions that affect employment and are caused by the public health condition;
- You make reasonable efforts to restore the employee to the same or equivalent position;
- You make reasonable efforts to contact the employee if an equivalent position becomes available; and
- You continue to make reasonable efforts to contact the employee for one year beginning either on the date the leave related to COVID-19 reasons concludes or the date 12 weeks after the employee's leave began, whichever is earlier.



62. Will I be reimbursed for the costs associated with providing my employees EPSL and/or EFML, including health care costs?

Yes, you may receive 100% reimbursement for paid leave under the Act, including costs related to maintain health insurance coverage by claiming a tax credit for these costs.

63. When can I begin claiming the tax credits?

You may claim tax credits for qualified leave wages paid to employees on leave due to EPSL or EFML for reasons related to COVID-19 for leave taken beginning on April 1, 2020 and ending on December 31, 2020.

64. How does an employer claim a tax credit for costs related to EFML and/or EPSL?

Eligible Employers will claim the credits on their federal employment tax returns (e.g., Form 941, Employer's Quarterly Federal Tax Return), but they can benefit more quickly from the credits by reducing their federal employment tax deposits. If there are insufficient federal employment taxes to cover the amount of the credits, an Eligible Employer may request an advance payment of the credits from the IRS by submitting a Form 7200, Advance Payment of Employer Credits Due to COVID-19. The IRS expects to begin processing these requests during April 2020.

For the circumstances, amounts, and period for which the credits are available, see "Determining the Amount of the Tax Credit for Qualified Sick Leave Wages," "Determining the Amount of the Tax Credit for Qualified Family Leave Wages," and "Periods of Time for Which Credits are Available."

65. Are these tax credits available for leave provided prior to the effective date of the Act?

No. Tax credits will only be available for leave provided between April 1, 2020 and Dec. 31, 2020.

66. What documentation must I retain to substantiate eligibility to claim the tax credits?

You must retain records and documentation related to and supporting each employee's leave to substantiate the claim for the credits, and retain the Forms 941, Employer's Quarterly Federal Tax Return, and 7200, Advance of Employer Credits Due To COVID-19, and any other applicable filings made to the IRS requesting the credit.

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

67. Must I cover COVID-19 testing through my group health plan at no charge?

Yes. Under the FFCRA and extended by the CARES Act, all group health plans and health insurance issuers offering group or individual health insurance coverage, including grandfathered health plans, must provide coverage for COVID-19 diagnostic testing, including related physician/facility costs, with no cost sharing (such as deductibles, copayments or coinsurance) or prior authorization requirements. This coverage requirement began on March 18, 2020 (when FFCRA was enacted) and remains in effect only while there is a declared public health emergency (as defined under federal law).

The term "group health plan" includes both insured and self-insured group health plans. It includes private employment-based group health plans (ERISA plans), non-federal governmental plans (such as plans sponsored by states and local governments) and church plans.

68. Must I also cover COVID-19 treatment through my group health plan at no charge?

No. Neither the FFCRA nor the CARES Act impose similar coverage requirements for COVID-19 treatment. However, some insurers may be including this coverage at no cost as well. You should reach out to your specific insurer for specifics.

69. I provide my employees with a high-deductible health plan (HDHP) paired with a health savings account (HSA) to pay for qualified medical expenses. Will my employees continue to be HSA eligible if my HDHP offers free coverage for COVID-19 expenses (before the deductible is met)?

Yes. As a result of the COVID-19 public health emergency, the IRS has released guidance, Notice 2020-15, advising that high-deductible health plans (HDHPs) may pay for COVID-19 related costs without jeopardizing their qualified plan status. This also means that individuals with an HDHP that covers these costs will continue to be eligible for a health savings account (HSA).

In addition, under the CARES Act, a HDHP may also cover telehealth and other remote care services prior to an individual reaching their required HDHP deductible and the individual will continue to be eligible for their HSA. This provision will sunset December 31, 2021 unless Congress takes future action to extend or make permanent.

70. Has there been any change to the treatment of over-the-counter drugs or other products due to the COVID-19 public health emergency?

Yes. As part of the CARES Act, certain over-the-counter (OTC) drugs and products (specifically menstrual care products) will be considered qualified medical expenses, allowing individuals to use funds in their health savings accounts (HSAs), health flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs) to purchase such products or OTC drugs without a prescription from a physician. This change would apply for amounts paid or expenses incurred after December 31, 2019.

71. I've heard that I can receive a tax credit for retaining my employees during the COVID-19 crisis, is this true?

Yes. The CARES Act provides an Employee Retention Credit, which is designed to encourage employers to keep employees on their payroll, despite experiencing economic hardship related to COVID-19. The Employee Retention Credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. This Employee Retention Credit applies to qualified wages paid after March 12, 2020, and before January 1, 2021.

72. Who is an eligible employer for the Employee Retention Credit?

Eligible Employers for the purposes of the Employee Retention Credit are those that carry on a trade or business during calendar year 2020, including a tax-exempt organization, that either:

- Fully or partially suspends operation during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or
- Experiences a significant decline in gross receipts during the calendar quarter.

Note: Governmental employers are not Eligible Employers for the Employee Retention Credit. Also, Self-employed individuals are not eligible for this credit for their self-employment services or earnings.

73. What are considered "qualified wages" for the retention credit?

Qualified wages are wages (as defined in section 3121(a) of the Internal Revenue Code (the "Code")) and compensation (as defined in section 3231(e) of the Code) paid by an Eligible Employer to employees after March 12, 2020, and before January 1, 2021. Qualified wages include the Eligible Employer's qualified health plan expenses that are properly allocable to the wages.

The definition of qualified wages depends, in part, on the average number of full-time employees (as defined in section 4980H of the Code) employed by the Eligible Employer during 2019.

If the Eligible Employer averaged more than 100 full-time employees in 2019, qualified wages are the wages paid to an employee for time that the employee is not providing services due to either (1) a full or partial suspension of operations by order of a governmental authority due to COVID-19, or (2) a significant decline in gross receipts. For these employers, qualified wages taken into account for an employee may not exceed what the employee would have been paid for working an equivalent duration during the 30 days immediately preceding the period of economic hardship.

If the Eligible Employer averaged 100 or fewer full-time employees in 2019, qualified wages are the wages paid to any employee during any period of economic hardship described in (1) and (2) above.

74. What is the maximum tax credit that I can receive?

The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is $10,000, so that the maximum credit for an eligible employer for qualified wages paid to any employee is $5,000.

Examples:

- Eligible Employer pays $10,000 in qualified wages to Employee A in Q2 2020. The Employee Retention Credit available to the Eligible Employer for the qualified wages paid to Employee A is $5,000.
- Eligible Employer pays Employee B $8,000 in qualified wages in Q2 2020 and $8,000 in qualified wages in Q3 2020. The credit available to the Eligible Employer for the qualified wages paid to Employee B is equal to $4,000 in Q2 and $1,000 in Q3 due to the overall limit of $10,000 on qualified wages per employee for all calendar quarters.

75. How do I claim the retention credit?

Eligible Employers will report their total qualified wages and the related credits for each calendar quarter on their federal employment tax returns, usually Form 941, Employer's Quarterly Federal Tax Return. Form 941 is used to report income and social security and Medicare taxes withheld by the employer from employee wages, as well as the employer's portion of social security and Medicare tax.

In anticipation of receiving the credits, Eligible Employers can fund qualified wages by accessing federal employment taxes, including withheld taxes, that are required to be deposited with the IRS or by requesting an advance of the credit from the IRS.

76. If I'm considered an eligible employer, may I receive both the tax credits for the qualified leave wages under the FFCRA and the Employee Retention Credit under the Cares Act?

Yes, but not for the same wages. The amount of qualified wages for which an Eligible Employer may claim the Employee Retention Credit does not include the amount of qualified sick and family leave wages for which the employer received tax credits under the FFCRA.

77. May I receive both the Employee Retention Credit and a Small Business loan under the Paycheck Protection Program that is authorized under the CARES Act?

No. An Eligible Employer may not receive the Employee Retention Credit if the Eligible Employer receives a Small Business loan under the Paycheck Protection Program that is authorized under the CARES Act.

78. What is the Paycheck Protection Program?

The Paycheck Protection Program is a significant provision of the CARES Act which establishes new "paycheck protection" loans administered by the Small Business Administration (SBA) to cover expenses such as payroll, rent, interest on mortgage payments, and utilities of certain eligible businesses during the COVID-19 crisis.

79. Which businesses are eligible for a paycheck protection loan?

The following entities affected by Coronavirus (COVID-19) may be eligible, if the entity was operating and paying workers on February 15, 2020:

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veteran's organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
- 500 employees, or
- That meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Sole proprietors, independent contractors, and self-employed persons

80. How long will loans be available pursuant to the Payment Protection Program?

The period covered by the Program commences February 15, 2020 and ends June 30, 2020.

81. What can the paycheck protection loans be used for?

Proceeds from the loans can be used for:

- payroll costs (excluding: compensation about the $100,000 threshold; certain federal taxes; compensation to non-US employees; and wages for which credit is allowed under the FFCRA);
- costs related to the continuation of group health care benefits during periods of sick, medical, or family leave and insurance premiums;
- payments of interest on any mortgage obligation;
- rent (including rent under a lease agreement);
- utilities; and
- interest on any other debt obligations that were incurred before the covered period.

82. What is the maximum loan amount available?

The maximum loan amount is the lesser of $10 million or an amount that you must calculate using a payroll-based formula specified in the Act.

83. What is the maturity date and interest rate on a paycheck protection loan?

The loan has a maturity of 2 years and an interest rate of 1%.

84. Can the loan be forgiven?

Yes. The loan will be forgiven if all employees are kept on the payroll for eight weeks and the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

85. How do I apply for a loan?

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program and what documentation they will require as part of their loan application process.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

86. If I must close my business or layoff/furlough my employees will they be able to collect unemployment compensation?

Yes. The CARES Act allows individuals who are otherwise able to work and available for work (as defined under state law), but are unemployed, partially unemployed, or unable or unavailable to work because of reasons related to COVID-19, to receive temporary UI benefits called Pandemic Unemployment Assistance (PUA) for up to 39 weeks.

Eligible individuals include workers who would not otherwise qualify for UI benefits under their applicable state (or federal) law for any reason. However, individuals who are able to telework or who are receiving paid leave benefits of any kind are not eligible.

87. When can individuals begin receiving PUA benefits?

The CARES Act directs the Department of Labor (DOL) to establish a process for states to provide these benefits retroactively. Individuals who are eligible for PUA benefits may receive them for weeks of unemployment that started on or after Jan. 27, 2020 and end on or before Dec. 31, 2020.

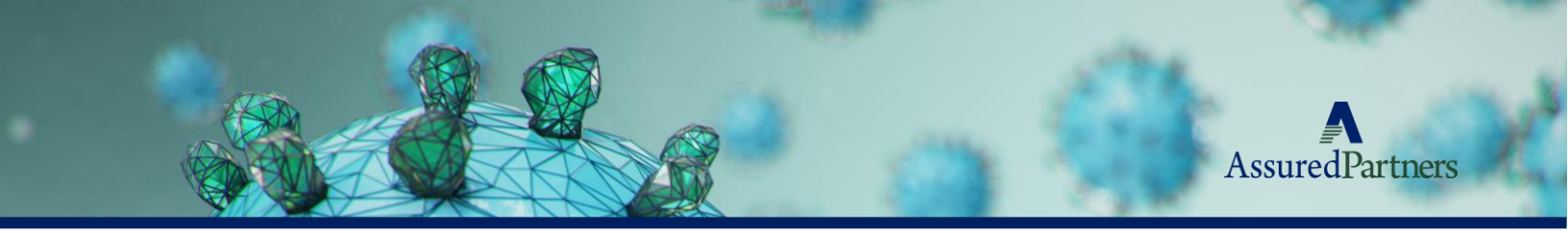
88. What amount of PUA compensation are individuals eligible to receive?

The weekly amount of an individual's PUA benefit depends on how the individual's UI benefit is calculated under the applicable state UI law. For weeks of unemployment ending on or before July 31, 2020, the weekly amount determined under state law may be increased by an extra $600-per-week, called Federal Pandemic Unemployment Compensation (FPUC). The beginning date for FPUC

benefits will depend on when your applicable state entered into an agreement with the DOL to provide such benefits.

89. How do individuals apply for PUA benefits, if needed?

As each state administers a separate unemployment insurance program, employees should be told to visit their state's unemployment insurance website, which will provide the relevant details regarding their individual programs.



ADDITIONAL RESOURCES:

Coronavirus.gov: Information for the public from the Coronavirus (COVID-19) Task Force at the White House

Coronavirus Disease 2019 (COVID-19): The latest public health and safety information from the Centers for Disease Control and Prevention

Department of Labor's COVID-19 and the American Workplace

Families First Coronavirus Relief Act (FFCRA)

FFCRA Temporary Rule

FFCRA Questions and Answers

FFCRA Tax Credits FAQs

CARES Act

Employee Retention Credits under the CARES Act

Employee Retention Tax Credit FAQs

IRS - Coronavirus Tax Relief and Economic Impact Payments

Coronavirus/COVID-19 Small Business Guidance and Loan Resources

Paycheck Protection Program (PPP)

Paycheck Protection Program FAQs

FAQS - FFCRA and CARES ACT Implementation