



# Pandemic Recovery Series: Session 5 of 8



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# Pandemic Recovery Series

<http://www.hc-link.com/pandemic-recovery-webinar-series>

- Session 1 (7.2.20)
  - Navigating the Economic Incentives
- Session 2 (7.9.20)
  - Promoting Agency Success with Emergency Preparedness Plans, Infection Control, and Quality Programs
- Session 3 (7.16.20)
  - Identifying Operational Efficiencies During Pandemic Recovery
- Session 4 (7.23.20)
  - Getting Prepared for the Next Round, Financial Considerations



# Pandemic Recovery Series

- Session 5 (7.30.20)
  - Emergency Paid Sick Leave & Expanded FMLA
- Session 6 (8.6.20)
  - Legal Aspects of Pandemic Recovery
- Session 7 (8.13.20)
  - Addressing Pandemic Psychosocial Impacts While Rebuilding Agency Operations
- Session 8 (8.20.20)
  - Optimizing External Opportunities for Agency Growth and Expansion



# Agenda: Session 5

- Introductions
- General Overview of Emergency Paid Sick Leave (EPSA) and Expanded Family Medical Leave Act (EFMLA)
- Covered Employers and Eligible Employees
- Qualifying Reasons
- Duration of Leave and Calculation of Pay
- Tax Credit and Interaction with other CARES Act Legislation
- Q&A

# Provider Relief Fund Reporting Update

- Reporting required for any provider who received \$10,000 or more in HHS Provider Relief Fund (PRF) distributions (in aggregate)
- HHS reporting portal will open on 10.01.2020
- Provider can report once they have spent the funds/completed
- If funds are not all spent by 12.31.2020, the provider must report all spending as of 12.31.2020; reporting is required no later than 02.15.2021
- Anything spent in CY2021 must be reported by 7.31.2021

# Provider Relief Fund Reporting Update

- Reporting due by 7.31.2021: Providers should operate under the assumption that HHS expects all PRF monies to be fully spent by this time. This is still TBD for a final decision on a “spend by” date.
- Outstanding question: Will they require anything not spent as of 7.31.2021 to be repaid?
- Expecting additional information/instructions on what the reporting will look like on 8.17.2020

# Emergency Family & Medical Leave (EFMLA) Emergency Paid Sick Leave (EPSL)

- Both fall under the Families First Coronavirus Response Act (FFCRA)
- Employers with less than 500 employees
- Exemptions:
  - Healthcare providers
  - Emergency responders
  - Small business with fewer than 50 employees if the leave would jeopardize the viability of their business
- Healthcare providers are exempt: They do not **HAVE** to provide this benefit, but they **CAN** provide it.



# Covered Employers

- Public and private employers with fewer than 500 employees
- Small businesses <50 employees may be exempt
- Healthcare providers and emergency responders may be exempt

# Eligible Employees

- All employees of covered employer are eligible for Paid Sick Leave
- 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 circumstances related to COVID
- Federal government employees are covered under Title II and are not covered by the **EFMLA**, but they are covered by **EPSL** portion of the Act

# EFMLA & EPSL – Qualifying Reasons

- Under FFCRA, an employee qualifies for **paid sick time** if the employee is unable to work (or telework) due to a need to leave because the employee:
  1. Subject to federal, state or local quarantine or isolation order
  2. Has been advised by a health care provider to self-quarantine
  3. Is experiencing COVID-19 symptoms and is seeking a medical diagnosis
  4. Is caring for an individual subject to #1 or #2 above
  5. Is caring for a child whose school or place of care is closed
  6. Is experiencing any other substantially similar condition
- Under FFCRA, an employee qualifies for **expanded family leave** if the employee is caring for a child under #5 above

# EFMLA & EPSL – Duration of Leave

- For reasons 1-4 and 6:
  - Full-time employee is eligible for **80 hours** of leave
  - Part-time employee is eligible for the number of hours of leave that the employee works on average over a two-week period
- For reason 5:
  - Full-time employee is eligible for up to **12 weeks** of leave (two weeks of **paid sick leave** followed by up to 10 weeks of paid **expanded family & medical leave**) at 40 hours a week
  - Part-time employee is eligible for the number of hours of leave that the employee works on average over a two-week period for up to **12 weeks**

# EFMLA & EPSL – Calculation of Pay

- For reasons 1, 2, or 3:
  - 100% of their regular rate, up to \$511 per day and \$5,110 in total over 2-week period – **as paid sick leave**
- For reasons 4 or 6:
  - 2/3 their regular rate, up to \$200 per day and \$2,000 in total over a 2-week period – **as paid sick leave**
- For reason 5:
  - 2/3 their regular rate, up to \$200 per day and \$12,000 in total over a 12-week period – **as extended family & medical leave**

# EFMLA & EPSL – Special Considerations

- Paid sick time provided under this Act does not carry over from one year to the next
- Employees are not entitled to reimbursement for unused leave upon termination, resignation, retirement, or other separation from employment
- An employee may elect to substitute any accrued vacation leave, personal leave, or medical or sick leave for the first two weeks of partial paid leave under this section
- Provisions apply from effective date (04.01.2020) through 12.31.2020

# EFMLA & EPSL – Special Considerations

- To take paid sick leave for qualifying reason, employee must provide the employer with either of the following:
  - The name of the government entity that issued the quarantine or isolation order
  - The name of the health care provider who advised the individual being cared for to self-quarantine due to COVID concerns
- Paid sick leave cannot be retroactive prior to 04.01.2020
- Health coverage: Must be continued both by employer and employee contributions

# FFCRA Flowchart

## 6 Qualifying Reasons for Leave:

- 1) Is subject to Federal, State, or local quarantine or isolation
- 2) Has been advised by health care provider to quarantine
- 3) Is experiencing COVID-19 symptoms AND is seeking diagnosis
- 4) Is caring for an individual who is subject to Number 1) or 2) above
- 5) Is caring for a child whose school or daycare is closed
- 6) Is experiencing any other substantially-similar condition specified by HHS (not defined yet).

Does the Employer have less than 500 EE's on the date of leave request?

Yes

Does the EE need to miss work (or tele-work) for one of the 6 Qualifying Reasons due to Covid-19?

Yes

ALL Employee may take up to 80 hours (or two weeks) of paid leave (PT calculation on DOL site)

Has the employee worked at least 30 days AND do they need to miss work for Reason 5?

Yes

EE can take 12 weeks of job - protected EFMLA Leave

No

No

No

EE is Not Eligible for EPSL or EFMLA

EE is Not Eligible for EPSL or EFMLA

EE is Not Eligible for EFMLA

### EPSL Pay

Reason 1-3 = 100% of pay up to \$511/day  
Reason 4-6 = 2/3 of regular pay up to \$200/day

### EFMLA Pay

First 2 weeks unpaid (unless covered by EPSL Pay or PTO/other sick time provided by employer). Up to 10 weeks at 2/3 pay capped at \$200/day or \$10,000 aggregate.

\*\*Employee may be eligible for traditional unpaid FMLA



\*\* Employers that are subject to traditional unpaid FMLA, Employee may take a total of 12 workweeks for FMLA or EFMLA. Previous FMLA time will reduce the amount of EFMLA available.



# FFCRA Tax Credits for Paid Leave

- FFCRA provides relief for employers for both sick leave and family leave
- Dollar-for-dollar credit on employer's next payroll tax deposit for the following:
  - The amount of wages paid under these benefits
  - The cost to continue health care coverage for the employee on leave
  - Employer's share of the Medicare tax on the leave wages
- Be sure your payroll provider understands these rules and how to implement them

# PPP, EFMLA, & EPSL: All together

- If you have received a PPP Loan, you can still pay wages under EFMLA or EPSL and claim the credit
- If you do the above, you must exclude those wages paid from your allowed costs for payroll when figuring your forgiveness
- You cannot double-dip these two benefits

<b>AGENCY NAME:</b>	Sample Home Health & Hospice		
<b>COVERED PERIOD:</b>	5/10/2020 - 7/22/2020		
<b>LOAN FUNDED:</b>	05/10/2020		
<b>LOAN AMOUNT:</b>	\$800,000.00		
		<b>Total</b>	
		<b>5/10/20 Thru</b>	
		<b>07/22/20</b>	<b>% of Total</b>
<b>EXPENSE DETAIL</b>			
<b>Payroll Expenses:</b>			
Gross wages		775,000.00	
Less: Wages prorated over \$100K, NR empl.		-25,600.00	
Less: COVID-19 Missed Visits		-3,500.00	
Less: COVID-19 Hazard Pay		-2,500.00	
Less: COVID-19 Quarantine --- credit available		-15,000.00	
Less: COVID-19 EPSL/EFMLA --- credit available		-5,000.00	
Add: Health insurance		10,000.00	
Add: Retirement & Benefits		4,000.00	
Add: SUTA		780.00	
Total Payroll Costs eligible for Forgiveness		<b>738,180.00</b>	<b>91.43%</b>
Rent/Lease		27,672.36	
<b>Non Payroll Expenses:</b>			
Total Non Payroll Expenses		<b>41,500.00</b>	
Total Non Payroll Costs for Bank Transfer		<b>69,172.36</b>	<b>8.57%</b>
TOTAL		<b>807,352.36</b>	<b>100.00%</b>
OVER/(UNDER) SPENDING		7,352.36	



# Payroll Tax Deferral: Employer SS Tax

- All employers may defer Employer's Social Security (6.2%) portion of the federal employment taxes
- Deferral period is 3/27/2020 through 12/31/2020
- Initial 50% of total deferral is due 12/31/2021
- Remaining 50% of total deferral is due 12/31/2022
- There are no restrictions on how these deferred funds can be spent

# Polling Question 1



# We're here to help

- We are always available to assist agencies with consulting and advisory services, but especially through this public health emergency

- Visit our website:

- Knight CPA Group

[www.knightcpagroup.com](http://www.knightcpagroup.com)

- Contact us directly:

- Knight CPA Group

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# Pandemic Recovery Series: Next Event

- Knight CPA Group, HealthCare ConsultLink, and DLA Piper thank you for attending today's webinar
- Session 6 (8.06.20)
  - Legal Aspects of Pandemic Recovery
    - Privacy and cybersecurity, congressional focus and the CARES Act, shareholder payout and corporate governance issues, contract performance, and fraud and abuse
- For registration support, call 888.258.1894 or email [info@hc-link.com](mailto:info@hc-link.com)
- Visit the webinar series website for more detailed information:  
<http://www.hc-link.com/pandemic-recovery-webinar-series>



# Questions??

