



**PGA**

Metropolitan Section

# Resources for PGA Professionals

COVID-19

Thursday, April 9, 2020



# PGA Resources

# **Families First Coronavirus Response Act**

Signed into law on March 19, 2020, with most provisions having an effective date April 1<sup>st</sup>. Covered employers = 500 or fewer employees.

## **Includes (for our purposes today)**

1. Emergency Family and Medical Leave Expansion Amendments to the FMLA providing for paid-FMLA leave
2. Creation of paid sick leave
3. Tax Credit Provisions for reimbursement of paid leave

# Qualifying Reasons for Leave: DOL Guidance

Under the Act, an employee qualifies for expanded family and medical leave if the employee is **unable to work (or unable to telework)** due to a need for leave because the employee:

- is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 (sources state stay in place does NOT count);
- has been advised by a health care provider to self-quarantine related to COVID-19;
  - is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
  - is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
- is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or
- is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

Under the Act, an employee qualifies for expanded family and medical leave if the employee is **caring for a child whose school or place of care is closed (or child care provider is unavailable)** for reasons related to COVID-19.

# Duration of Leave : DOL Guidance

- **For reasons (1)-(4) and (6):** A full-time employee is eligible for up to 80 hours of leave, and a 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):** A full-time employee is eligible for up to 12 weeks of leave at 40 hours a week, and a part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.
- **Calculation of Pay: DOL Guidance**
- **For leave reasons (1), (2), or (3):** employees taking leave shall be paid at either their regular rate or the applicable minimum wage, whichever is higher, up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).
- **For leave reasons (4) or (6):** employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$2,000 in the aggregate (over a 2-week period).
- **For leave reason(5):** employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$12,000 in the aggregate (over a 12-week period—two weeks of paid sick leave followed by up to 10 weeks of paid expanded family and medical leave).
- See: <https://www.dol.gov/agencies/whd/pandemic/ffcr-a-employer-paid-leave>

CARES ACT

# CARES ACT

- Stimulus Check

## Who gets a check?

- If you're a single US resident and have an adjusted gross income less than \$99,000

Max Stimulus = \$75000 or less Gross Income = \$1200  
Depreciation of \$50 per \$1000 up to \$99,000

- If you file as the head of a household and earn under \$146,500

Max = \$112,000 or less Gross Income = \$1200  
Depreciation of \$50 per \$1000 up to \$146,000

- If you file jointly without children and earn less than \$198,000

Max = \$150,000 or less Gross Joint Income = \$2,400  
Depreciation of \$50 per \$1000 up to \$198,000

Each Child Under 16 = \$500

# Unemployment Benefits in the CARES Act

## Federal Pandemic Unemployment Compensation Program

- Provides an emergency an additional sum of to \$600/week – in addition to benefits due under state law
- Referred to as Federal Pandemic Unemployment Compensation
- Available through July 31, 2020
- Not Limited to Employee's Actual Weekly Wage amount
- Eliminates of one week waiting period (Federal Gov't to reimburse states for costs of waiving this)

Additional 13 weeks of unemployment compensation eligibility (39 weeks total) We are awaiting further explanation on the UI program, few details available

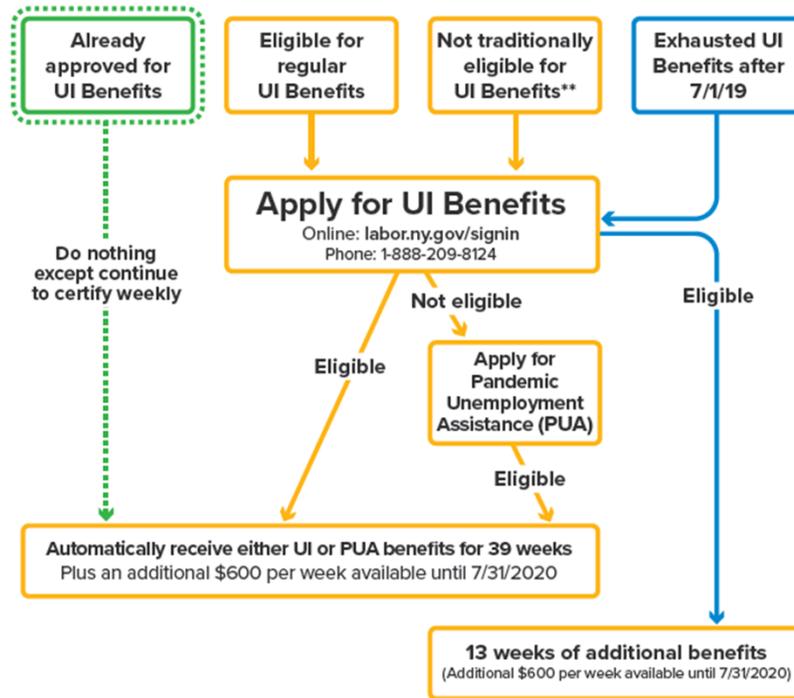
NYS max = \$504    CT max = \$649 / \$724 w dependents

# RELIEF FOR WORKERS AFFECTED BY CORONAVIRUS ACT

## WHAT YOU NEED TO KNOW AND DO ABOUT THE CARES ACT



The federal CARES Act was signed into law March 27, 2020. The Act provides enhanced Unemployment Insurance (UI) benefits and Pandemic Unemployment Assistance (PUA) for New Yorkers. Here's what you need to know.



# CARES ACT

- Payroll Protection Plan

# Who Can Apply?

- For Profit Small Business (Less than 500 Employees)
- 1099 Independent Contractors
- 501c3 Non Profit Organizations

# Small Business Administration (SBA) Paycheck Protection Loan Program:

- Provides eligible businesses with cash to meet payroll (including benefits) and other fixed costs (rent, interest on mortgages, utility payments) for up to eight weeks.
- The maximum loan amount = 250% of employer's average monthly payroll costs, \$10 million max.
- Accelerates process of obtaining loan.
- Loans and interest eligible for loan forgiveness (and not taxable). Guide and checklist on the new loan program from the U.S. Chamber of Commerce:  
[https://www.uschamber.com/sites/default/files/023595\\_comm\\_corona\\_virus\\_smallbiz\\_loan\\_final.pdf](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf)

# Small Business Administration (SBA) Paycheck Protection Loan Program:

## What is included in Payroll?

- Compensation (salary, wages, commission, or similar compensation, cash tips, etc.)
- Payment for vacation, family, medical, and sick leave
- Allowance for employee dismissal or separation
- Payment for group health-care benefits, including insurance premiums
- Payment of employee retirement benefits
- Payment of state and local taxes imposed on the compensation of employees

# Small Business Administration (SBA) Paycheck Protection Loan Program:

## How can you use the loan?

- Payroll costs
- Costs related to the continuation of group health-care benefits during periods of paid sick, medical, or family leave and insurance premiums
- Employee's salaries, commissions, or similar compensation
- Payments of interest on any mortgage obligations (not including prepayment fees or payment of principal on the mortgage itself)
- Rent (including rents under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the relevant covered period (see Table 1)

# What Should You Bring?

- 2019 IRS Quarterly 940, 941 or 944 payroll tax reports.
- Payroll reports for a 12-month period (ending on your most recent payroll date).
- 1099s for independent contractors for 2019.
- Records of total health insurance premiums paid under a group health plan.
- Records of retirement plan funding paid by the company.

# Employee Retention Tax Credit

All employers (regardless of size) uniquely affected by COVID-19 can claim refundable tax credit against the employer portion of payroll tax = 50% of certain employee wages paid between March 13, 2020 through December 31, 2020. \$10,000 of wages can be taken into account for any employee.

50% credit available to businesses (i) that have had their operations fully or partially suspended by government order due to COVID-19 or (ii) that experienced a 50% decline in gross receipts during a 2020 calendar quarter when compared with the same quarter in 2019.

# Social Security Tax Deferral

- Provision available to employers of all sizes:
- Ability to defer the payment of the employer portion of Social Security taxes (6.2% of wages) for the remainder of 2020. Fifty percent of those deferred taxes would have to be repaid by the end of 2021, with the remainder due by the end of 2022.

# You Can't Choose All of the Above

- Each alternative provides very generous tax subsidies to assist employers.
- If you obtain one of the new SBA loans, you are not eligible for the 50% employee retention tax credit.
- If you have a new SBA loan forgiven, you cannot take advantage of the Social Security tax deferral.
- If you claim the 50% employee retention credit, you will no longer be eligible for an SBA loan.
- If you take advantage of the Social Security tax deferral, you will no longer be eligible to have your SBA loan forgiven.

# Next Steps

Gather necessary payroll information.

Discuss with your accounting firm.

Reach out to your banking institution to discuss loan options.

Complete the PPP Application:

- <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- Treasury Department and the SBA are working to provide regulations that will guide the program. Expected to be done by close of business Thursday.
- Loans are available NOW!

Effective July, 1 2018  
call 1-866-4PGAMAP (474-2627)  
visit [www.pgamap.com](http://www.pgamap.com)

SUPPORT  LINC  
MEMBER ASSISTANCE PROGRAM

## what is supportlinc?

The SupportLinc Member Assistance Program (MAP) is a health benefit offered by PGA of America to help manage life's daily challenges.



SupportLinc can refer Members and Associates to professional counselors, services and resources that will help them and their eligible family members resolve a broad range of personal and work-related concerns.

866-4PGA MAP