



***Families First Coronavirus Response Act*¹** **What Employers Need to Know: About Paid and Family Leave Provisions and Unemployment Insurance**

Overview: *Families First* provides paid sick leave and paid family leave to address work and employment interruptions related to the COVID-19 coronavirus.

Paid Sick Leave:

- Workers are entitled to 10 days of paid sick leave in an amount equal to two-thirds of the employee's wages, capped at \$200 per day and \$10,000 in aggregate if they are caring for an individual subject to isolation order, or quarantined employee, caring for a son or daughter if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions, or experiencing any other substantially similar condition specified by HHS.
- Workers are entitled to 80 hours (10 days) of paid sick leave in an amount equal to 100% of their pay (capped at \$511 per day and \$5,110 in aggregate) if they are experiencing symptoms of COVID-19 and seeking a medical diagnosis, subject to a Federal, State, or local quarantine or isolation order, or have been advised by a health care provider to self-quarantine.

Paid Family Leave: Employers must offer 12 weeks of paid family leave for an employee with a minor child in the event of the closure of the child's school or place of care. The first 10 days are unpaid, but the employee can overlap this with the 10 days of paid sick leave. This benefit must replace at least two-thirds of the employee's wages up to a maximum of \$200 per day.

Tax Credit: Employers subject to the mandates are allowed a 100% credit against any wages they pay pursuant to the mandates. That credit is used to offset any payroll tax liability an employer has in a calendar quarter. If there is still credit leftover after the credit has been applied to the employer's payroll tax liability, the employer will receive a refund in the amount of that excess.

Unemployment Insurance: *CARES* increases weekly benefits by \$600 until July 1, 2020. No worker who quits their job may file for unemployment insurance without just cause. Employers receive notification from the state when a former employee has filed for unemployment insurance. It is imperative that employers are diligent in verifying how this individual became unemployed to prevent fraud.

Additional Resources: The U.S. Department of Labor, Wage and Hour Division, has made available extensive *Frequently Asked Questions* about *Families First*, [available here for download](#).

This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to CoronavirusHelp@braun.senate.gov for questions, concerns, or additional assistance. Last updated April 2, 2020.

¹ [H.R.6201](#) [116th] Families First Coronavirus Response Act, enacted into law on March 18, 2020 (Public Law No: 116-127). This package is also often referred to as the "Phase 2" package.