



EMPLOYMENT LAW ALERT

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Additional COVID-19 Relief Legislation

On December 21, 2020, Congress came to an agreement on additional COVID-19 relief, providing assistance to businesses and individuals. Among the many provisions of the over five-thousand page bill, are provisions relating to the Families First Coronavirus Response Act, stimulus payments to individuals, additional monies for the Paycheck Protection Program, and unemployment insurance supplements. Despite Congressional approval, whether or not this bill will go into effect remains unknown, as it must be signed by the President to become law.

Significantly for employers, the Families First Coronavirus Response Act (FFCRA) is set to expire on December 31, 2020. This new bill allows for covered employers to voluntarily provide the leave provided for under the FFCRA (paid sick leave and emergency paid Family and Medical Leave) and to take the tax credits associated with these leaves through March 31, 2020. This means that employers will no longer be required to provide paid sick leave and paid emergency Family and Medical Leave as of January 1, 2021. However, if an employer voluntarily provides these paid leave benefits, they will still be eligible to take the tax credit through March 31st. Please be aware, this does not alter an employers' obligations to provide paid sick leave under New York or other local laws, or to provide standard FMLA leave.

The new relief bill also provides for a second round of PPP loans for eligible businesses. To be eligible for this second round, a small business must have no more than 300 employees and demonstrate a 25% drop in gross receipts in a 2020 quarter compared to the same quarter in 2019. This new bill also makes significant changes to existing PPP loans.

Lastly, the bill provides for \$300 per week in supplemental federal unemployment benefits through March 14, 2020. It also extends the Pandemic Unemployment Assistance (PUA) program, with expanded coverage for self-employed, gig workers, and others in non-traditional employment. The bill also provides for the Pandemic Emergency Unemployment Compensation (PEUC) program, which provides additional funding of unemployment benefits to individuals who exhaust their regular state benefits.

If the bill is enacted, it is likely there will be significant guidance promulgated by various federal agencies clarifying and providing additional information on these new benefits. It is important to stay aware of the changing landscape relating to COVID-19 legislation and ensure that your policies and practices remain compliant.

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