

EMERGENCY SICK AND FAMILY LEAVE FOR MOSDOS

Prepared for EDN
Update March 25, 2020

DISCLAIMER

- The purpose of this is NOT to provide legal guidance but rather to give mosdos a basic understanding of what questions to ask
- Talk to your accountant and professionals as well as board members/ballei batim to further explore this
- **The premise of this presentation is that we are all trying to figure out how to pay our staff and not how to get out of paying them (there are certain waivers not mentioned here).**

Sick Leave vs Family Leave

- Typically your employees are entitled to sick leave when they (or their family members) get sick which is governed by your state laws. Each mosad has a policy regarding what they are entitled to. Make sure you know how many of these days each employee used already. **This is usually your PTO (paid time off) plan “sick days”. When there is an extended illness the employee becomes eligible for disability.**
- Family leave is designed for employees who need to take an extended vacation due to a family issue. Most commonly used for maternity but can be for other things. Each mosad is usually required to have a family leave policy (details depend on your state).

EMERGENCY SICK LEAVE

- The government enacted an emergency law that overrides all regular policies and says:
 - If you left your job because you were sick or quarantined you can get up to \$511 per day for two weeks which caps out at \$5,110
 - If you left your job to care for someone who was sick/quarantined OR for a child whose school was closed due to the virus, you can get **up to 2/3 of your regular pay with a max of** \$200 per day for two weeks which caps out at \$2,000.

EMERGENCY FAMILY LEAVE

- The government enacted an emergency law that says:
 - Those who can't work **because they are caring for kids who don't have school** are also entitled to 2/3 of their salary up to \$200 per day for **10 additional** weeks. (This is called child care leave credit)
 - **The employee will be eligible for the two weeks of sick leave if they are caring for kids due to school closure and will not need to use any sick days.**

How the money comes back

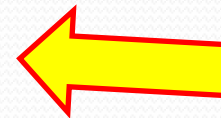
- The government wants the employers to pay this money to their employees and then they will reimburse the employers in the form of a payroll tax credit.
- All of these credits are “refundable credits” which means that in the event that the payroll taxes due are less than the credit, the employer will receive a check for the difference.
- If you choose to pay the employee a higher amount than the government dictated you will not be credited for it.
- The IRS will be releasing a main stream process this week how one may ask for a cash advance against the anticipated credit above and beyond payroll taxes. Funds are set to be in your bank account two weeks after applying.

EMERGENCY LAW VS REG.

- The emergency law takes effect regardless of whether you pay into your state's unemployment.
- The emergency law was enacted to enable salaried and hourly employees to get paid and is designed to help people pay employees.
- The way it helps employers is that it allows them to lay out or borrow the funds and get reimbursed UP TO THE GOVERNMENT LIMITS.

Some Points

- Although The law is going into effect as of 4/2/2020. At that point you will be able to claim retroactively.
- It is assumed that when a teacher does conference calls they will still be eligible for these emergency payments.
- It is unclear who eligible for the 10 weeks of paid family leave. It seems like employees of places that were ordered to close would be eligible for the first two weeks regardless if they were caring for others or had any symptoms. **This needs clarification.**



Pitfalls

- A word of caution: QTR payments most likely will not be included in this. Therefore, you may not be getting reimbursed for a large chunk of what you are laying out to pay them. Health benefits ARE included. **Parsonage should be included but we await clarification on this.**
- Under family leave you can only get reimbursed for 2/3 of their payroll. The average Rebbi with \$40,000 of payroll wages or \$800 per week will only entitle you to a reimbursement of \$533 per week.
- **This law is not for employees who worked less than 30 days or for mosdos who have a paid family leave policy (the mosad already pays people who are out for an extended time).**

Practically Speaking

- You pay your Rebbeim and Staff until school opens. You then apply for the payroll tax credit (not clear yet what the application process is for this).
- You calculate sick pay for the first two weeks for all of the staff **up to 2/3 of their pay** with a max of \$200 per day and \$2000 for the first week. For staff who were sick or needed to be quarantined you can claim a max of \$511 per day, up to \$5,110.
- You then claim 2/3 of payroll wages for 10 weeks for the staff with a max of \$200 per day.
- You receive a credit and then a check for the remainder from the government (and you pay back the tzaddik that laid out the money 😊). **Stay tuned for how to get the gov to front a portion of the money.**

Sample worksheet

Employee	W2 wages per week	Max per week allowed by Gov for first two weeks	Max allowed for next 10 weeks	total
Employee who had kids at home	\$900	\$600	\$600	\$7200
Employee who didn't have kids at home	\$900	\$600	?????	\$1200
Employee who was sick (no kids at home)	\$900	\$900	????	\$1800
Employee who was sick (with kids at home)	\$900	\$900	\$600	\$7800

Unemployment

- Mosdos have either a Self-pay Unemployment plan (where the mosad pays the state every time an employee files unemployment) OR they have a regular state funded self employment plan.
- If you are self-pay you will probably lose by sending employees to file unemployment. The gov will not reimburse you and you will need to pay the unemployment back to the state.
- If you are part of the gov plan you may send your employees to file unemployment. However keep in mind they will receive a max of \$713 per week and only a portion of their salary.

Different Categories

- A- Essential Employees who you want to take care of- continue paying them and claim as much as you can from the Gov
- B- Employees who you are certain you will not need when this is all over- dismiss them before 4/2 (so they can't make a retaliation claim) and tell them to file unemployment IF you don't have a self-funded Unemployment plan.
- C- Employees who you don't know if you will need them when this ends- pay them and claim the Gov reimbursement and then decide later

Practically...

- Staff who you want- keep them on payroll and claim the credit
- Staff who you are looking to terminate- terminate now and send them to unemployment if you are not self-pay. If you are self-pay, don't terminate anyone.
- Staff who were sick before you closed may file for disability but you won't get a credit from the Gov.

Many Businesses...

- Are seriously concerned about closing down and not having funds. They also are not self-pay unemployment since it is only for non-profits. Therefore...
 - They are terminating many employees and sending them to unemployment.
 - If they were allowed to stay open and the employee or his family member got sick they are sending them to disability.
 - The employee does not receive their full salary but receives a portion of it
- Mosdos who are trying to pay staff in full do not want to do this.
- Mosdos who are on self-pay won't gain by sending to unemployment.
- Mosdos who were ordered closed can't send an employee for disability so easily.

What to do when...

- Your maintenance employees say they don't want to come to work but want to get paid...
 - You can't make them work
 - You can tell them you need them and they can elect to go on disability if they are sick or eligible
 - They can use PTO days if they want
 - Presumably if they claim they can't work because of COVID19 they will be eligible for the Gov emergency funding and you can continue paying them and claim it from the Gov. [needs some more clarification- talk to your adviser].

PLEASE!

- Do not rely on this presentation and speak to your accountant and ballei batim!!!
- However, there is real money in this that can help us all get through this crisis.
- Please contact R' Eliyahu Stern with any questions, comments or errors - eds@ednnetwork.org.