

EMERGENCY SICK AND FAMILY LEAVE FOR MOSDOS

Prepared for EDN

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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.
- 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 \$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 are also entitled to 2/3 of their salary up to \$200 per day for 12 weeks.
 - The first two weeks of Family Leave may be unpaid but the employee who is eligible for EMERGENCY sick leave or who has sick days can use their days to get paid. (It seems that if the employer chooses to pay for this, he would not get the payroll tax credit for those two weeks unless the employee qualifies for Emergency sick leave)

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.

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 Questions

- It seems that the law is going into effect as of 4/2/2020. It is not clear what will be covered between now and April 2, 2020.
- If a Rebbi/Morah is doing conference calls, does that need to be clearly documented as “voluntary work” so that s/he is still eligible for paid leave or not?

Pitfalls

- A word of caution: parsonage or 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.
- 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.

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 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 😊).

Sample worksheet- to calculate amount that will be reimbursed

Employee	W2 wages per week	Max allowed by gov for first two weeks	Max allowed for next 10 weeks	total
Rebbi	\$900	\$900	\$600	\$7800
Morah	\$600	\$600	\$400	\$5200
Secretary	\$450	\$450	\$300	\$3900

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.