



Covid-19 Resources

FAQs – August 19, 2020

Getting you the answers to the many questions related to Covid-19 and its impact to you is our first priority. Things continue to evolve and change very rapidly, but please know that our team is working as quickly as possible to understand all that is taking place and going to the source for the answers. Our goal is to get you answers and information that is in **your** best interest and not get waylaid with distractions. Below are the most recent questions we have been fielding.

Q1. What do I need to know and do about President Trump's Executive Order (EO) related to payroll taxes?

On August 8th, the President signed an executive order authorizing temporary payroll tax deferrals. This would be in effect from September 1 through December 2020 and would allow employees to defer their portion of Social Security tax from their paychecks. It would apply for only those earning \$4,000 or less per bi-weekly pay period (\$104,000 or less per year).

Like so much this year, the details are lacking relative to the EO. We thought the blog written by Gusto Payroll ([found here](#)) explained the situation nicely. Our advice, if asked by team members, is to remind them that this is a deferral of payroll taxes that it is anticipated will need to be paid back. It might be easier for them to pay the taxes now than to have to come up with money later to repay the loan. As we all learn more, we will let you know.

Q2. Do I need to pay sick leave to employees that are self-quarantined due to potential COVID-19 exposure?

An employee is eligible for paid sick leave under the FFCRA if a health care provider directs or advises them to stay home or otherwise quarantined because the health care provider believes that they may have COVID-19 or are particularly vulnerable to COVID-19. Only based upon that advice preventing employees from working (or teleworking) would make them eligible.

However, there are exemptions for healthcare providers and employers with fewer than 50 employees for whom paid leave would jeopardize the continued viability of the business from paying these benefits. It is complicated and uncertain. Further, whether or not you are exempt, you should consider what you want your practice environment to be and what policies will best support your business. Following is a list of HR specialists that might be a good resource for you.

All Things HR - www.allthings-HR.com or 425.248.4978
Bent Ericksen - <http://www.bentericksen.com> or 800.679.2760
HR for Health – <https://www.hrforhealth.com/> or 877.779.4747 (option 1)
Or your HR attorney

Also, despite the exemption for healthcare employers the DOL encourages employers to be judicious when using this definition to exempt healthcare providers from the provisions of the FFCRA to minimize the spread of the virus. For example, an employer may decide to exempt these employees from leave for caring for a family member, but choose to provide them paid sick leave in the case of their own COVID-19 illness.

As a reminder, employers can be reimbursed in the form of a payroll tax credit, claimed on the next quarterly payroll tax return. The amount of the credit is 100% of the paid leave under either the sick leave or family leave rules. Keep in mind that paid sick leave under the Emergency Paid Sick Leave Act is in addition to any form of paid or unpaid leave provided by an employer, law, or an applicable collective bargaining agreement. The credit is only available to those who pay under the new rules. Employers that already have paid leave policies in place cannot receive credit for benefits that are paid under the existing policy.

Q3. Should I File my PPP Loan Forgiveness Application if my Lender is Ready?

Probably not; especially if your total PPP loan is under \$150,000. It has been reported that included in the current CARES Act related legislation that Congress is wrangling over that a one-page form that is nothing more than an affidavit attesting to your qualification for forgiveness may be put forward. You would still need to document your PPP numbers internally, but you would not have to submit them to your lender – just the one-page affidavit.

For those with PPP loans at or in excess of \$150,000 there is no penalty for waiting. Interest is waived retroactively. Given that Congress or potentially Treasury/SBA may revise what is required for applications and the \$150,000 PPP loan threshold noted above is simply what has been floated, you may want to hold-off. Furthermore, it may make sense to allow your lenders to process a certain number of forgiveness applications to work out their own kinks. As we say around here – embrace the cutting edge rather than the bleeding edge.¹

Q4. Any recent developments with the Paid Provider Relief Fund from HHS?

The application deadline is now Friday, August 28th as mentioned in our previous FAQ. It also appears that the application has been simplified with the HHS removing several requested fields that were on previous applications.

There is also no update on the reporting requirements stipulated in the Terms and Conditions. Nonetheless, it appears that anyone who received at least \$150,000 in aggregate from any statutory funding (which includes PPP Loans), will be required to submit a report. Per the HHS it “will be requiring recipients to submit future reports relating to the recipient's use of its PRF money. HHS will notify recipients of the content and due date(s) of such reports in the coming weeks.”

¹ Attribution unknown