



## DIOCESE OF SACRAMENTO

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# MEMO

Date: March 27, 2020

To: Pastors, Parochial Administrators, Parish Stewards, and Parish Finance Council Members

From: Thomas J. McNamara, Chief Financial Officer

Anna Schiele, Human Resources Director

**RE: U.S. Government Relief – Families First Coronavirus Response Act (Action Required)** and Coronavirus Aid, Relief, and Economic Security Act (“CARES”)

**NOTE: WE ACKNOWLEDGE THAT THE SUBJECT MATTER OF THIS MEMO IS SOMEWHAT COMPLEX. WE ASK THAT YOU PLEASE TAKE THE TIME TO READ THIS MEMO THOROUGHLY AS IT CONTAINS IMPORTANT INFORMATION THAT REQUIRES ACTION. AT THIS TIME IT IS PRUDENT FOR THE PASTOR AND PARISH FINANCE COUNCIL TO BE IN CLOSE COMMUNICATION. THANK YOU FOR YOUR PATIENCE IN THIS REGARD.**

In addition to the human toll of the COVID 19 virus, the social measures necessitated in order to control the spread of the virus are taking an unintended toll on the economic well-being of individuals, businesses, and non-profit institutions. In an effort to provide some relief from the economic hardships being experienced, the Federal Government enacted the **Families First Coronavirus Relief Act (“FFCRA”)** on March 18, 2020. In addition, the **Coronavirus Aid, Relief, and Economic Security Act (“CARES”)** was approved and signed today.

The provisions of the Families First Coronavirus Relief Act are applicable to our parishes and schools and we are required to implement those provisions beginning on the effective date, Wednesday, April 1, 2020. This memo provides important information about the Families First Coronavirus Relief Act so that you can immediately apply its provisions to your parish and school.

### **I. Families First Coronavirus Response Act (“FFCRA”).**

The FFCRA is effective beginning April 1, 2020. The FFCRA provides to all employees, (both full-time and part-time), additional sick leave and expands Family and Medical Leave benefits.

#### **A. Emergency Paid Sick Leave:**

The FFCRA Act requires employers with fewer than 500 employees to provide to those employees who are not able to work on-site or remotely, two additional weeks of emergency paid sick leave.

To qualify for the additional two weeks of sick leave the employee must not be able to work either at the workplace or remotely and due to one of the following reasons:

- (1) The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19. *This would include a state or local government “shelter-in-place” order.*
- (2) The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- (3) The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
  
- (4) The employee is caring for an individual who is subject to quarantine or isolation order as described in (1), above, or has been advised as described in (2), above.
- (5) The employee is caring for a son or daughter whose school or place of care has been closed, or the child care provider is unavailable, due to COVID-19 precautions.
- (6) The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

If an employee cannot work due to reasons (1), (2) or (3) above, then the employee is to be paid sick leave at the employee’s regular rate of pay, not to exceed \$511 per day or a total of \$5,110 aggregate for the ten days.

If an employee cannot work due to reasons (4), (5), or (6) above, then the employee is to be paid sick leave at two-thirds of the employee’s regular rate of pay, not-to-exceed \$200 per day or a total of \$2,000 aggregate for the ten days.

The employer must fund the benefit through payroll, but will be fully reimbursed by the federal government through either payroll tax credits or actual direct reimbursement. The mechanics of the reimbursement are details that are pending. If you are concerned that advancing these payroll funds will create a liquidity shortfall, then please remember that The Parochial Fund Inc. can help with non-interest bearing emergency working capital loans as needed.

Note that this is a true benefit to employers because the federal government is essentially paying for an extra ten (10) days of compensated sick leave for our employees who are unable to work on-site or remotely.

Under the FFCRA the additional Emergency Paid Sick Leave expires on December 31, 2020 and any unused paid leave granted by the FFCRA does not carry over into 2021.

## **B. Emergency Family and Medical Leave Expansion Act**

This FFCRA temporarily amends the Family and Medical Leave Act (FMLA) for those employers with fewer than 500 employees. Employees that have been on the job for at least

thirty (30) days now are granted the right to take up to twelve (12) weeks of job-protected leave as Public Health Emergency Leave.

To qualify for Public Health Emergency Leave, an employee must not be able to work on-site or even telework due to a need to care for a son or daughter under 18 years of age because the child's school or place of care has been closed, or the child care provider of such son or daughter is unavailable due to a public health emergency. A "public health emergency" is defined to mean "an emergency with respect to COVID-19 declared by a Federal, State, or local authority." Note that an employee must provide advance notice as soon as practicable of the need for leave when the need for leave is foreseeable.

During the first ten (10) days of Public Health Emergency Leave, the employee has the option of any one of the following:

- a) Use Emergency Paid Sick Leave as described above under reason #5 wherein the employee would be paid two-thirds of his/her regular pay rate; or
- b) Use already accrued sick or vacation leave (this cannot be required by the employer); or
- c) Take the leave unpaid.

After the first ten (10) days, employers must continue paid Public Health Emergency Leave at a rate of no less than two-thirds of the employee's regular rate of pay. The Act limits the amount of required paid leave to no more than \$200 per day and \$12,000 in total for the twelve weeks. This too is consistent with the per day pay rate provisions under reason #5 above.

As with the Emergency Paid Sick Leave, the employer must fund the benefit through payroll, but will be fully reimbursed by the federal government through either payroll tax credits or actual direct reimbursement. The mechanics of the reimbursement are details that are pending. If advancing these payroll funds will create a liquidity shortfall, then please remember that The Parochial Fund Inc. can help with non-interest bearing emergency working capital loans as needed.

Under the FFCRA the Public Health Emergency Leave expires on December 31, 2020.

### **C. Required Notice to be Posted**

The US Department of Labor has prepared and provided a poster which states the employees' rights under the Families First Coronavirus Relief Act. **This poster must be displayed in a common area such as the breakroom.** The poster is included with this memo. For those employees who are prevented from coming into the workplace, we also recommend that you email or mail them a pdf copy of the required poster.

**II.** Today the **Coronavirus Aid, Relief, and Economic Security Act (“CARES”)** was approved and signed. It appears that there are a number of significant provisions in the Act that apply to and will benefit our parishes and schools.

These provisions include:

- A. Possible reimbursement to non-profits for unemployment expenditures incurred through December 31, 2020; and
- B. Forgivable Small Business Administration Loans made to non-profits to cover payroll support, salaries, paid sick or medical leave, insurance premiums, and utility payments.

We will provide to you additional details regarding the specific provisions of the CARES Act once they have been fully reviewed.

**In the immediate time frame, we ask that you address the provisions of the Families First Coronavirus Response Act: Employee Paid Leave Rights (FFCRA) which is effective Wednesday, April 1, 2020.**

If you or members of your parish Finance Council have questions regarding the above or any other matter, please do not hesitate to contact one of us at the following:

Anna Schiele	Aschiele@scd.org	916-733-0240
Julianna Aquilera	Jaguilera@scd.org	916-733-0282
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**Resources Attached:**

- US Department of Labor Publication - Families First Coronavirus Response Act: Employee Paid Leave Rights
- US Department of Labor Publication - Families First Coronavirus Response Act: Employer Paid Leave Requirements
- US Department of Labor Publication - Families First Coronavirus Response Act: Questions and Answers
- US Department of Labor Publication - Families First Coronavirus Response Act Required Poster
- Diocese of Sacramento HR Department - Families First Coronavirus Response Act Questions and Answers for Employers