

Land Trust Alliance COVID-19 Emergency Response Legislation Summary: Land Trusts and Medical leave

On March 18, 2020, the president signed H.R. 6201, the Families First Coronavirus Relief Act, into law. The law, among other things, requires paid sick leave for employees and expands the Family and Medical Leave Act (FMLA). Additionally, the president signed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, into law on March 27, 2020, which lowered the amount that employers must pay as required by H.R. 6201. The provisions in these bills may affect land trusts and their employees.

Paid Sick Leave Requirement

The Families First Coronavirus Relief Act requires that all employers of fewer than 500 employees must provide paid sick leave and family health leave to workers and families directly impacted by coronavirus. It also specifies that **the federal government will reimburse the cost of that leave to non-governmental employers.**

The first part of the bill requires providing 80 hours or two weeks of fully paid sick leave to any staff who cannot work because:

1. They are subject to a federal, state or local quarantine or isolation order;
2. They have been told by a doctor to self-quarantine;
3. They are experiencing symptoms of coronavirus;
4. They have to care for an individual to whom 1 or 2 applies;
5. They must care for a child because schools are closed or a child care provider is unavailable (this could well be the most common reason); or
6. Any similar circumstances recognized by the secretary of Health and Human Services.

H.R. 748 lowered required payment amounts to employees. These staff must be paid their full wages up to \$511 a day and an aggregate of \$5,110 if they fall in categories 1, 2 or 3. Workers in categories 4, 5 and 6 must be paid \$200 a day or \$2,000 aggregate.

These costs will be covered by the U.S. Department of the Treasury, through refundable tax credits that can be used against employment taxes (Social Security and Medicare taxes). Any unused credits will be refunded. The Treasury Department is expected to provide details shortly on how refunds will become available.

If an employer continues an employee's health insurance coverage while the employee is on paid sick leave, the credit will also include the employer's expense for this. In addition, covered sick pay is exempt from employment taxes otherwise imposed on the employer. These provisions ensure that the employer is made whole for its obligation to pay covered sick leave.

The secretary of Labor has the power to exempt businesses of fewer than 50 employees if complying would force them out of business.

Family and Medical Leave Act Expansion

The bills require employers to provide paid leave under the Family and Medical Leave Act (FMLA) of 1993 to employees who fit the definitions outlined above for sick leave. That pay is limited to no more than \$200 per day and an aggregate of \$10,000. (The FMLA provides for up to 60 days of leave, and any leave taken under these emergency provisions counts toward that total). The FMLA is further amended by defining an eligible employee as an employee who has been employed for at least 30 calendar days by the employer. It also provides for rehired employees, which include employees laid off by the employer not earlier than March 1, 2020, who had previously worked for the employer for not less than 30 of the last 60 calendar days prior to the employees lay off and was rehired by the employer.

The secretary of Labor has the power to exempt businesses of fewer than 25 employees if complying would force them out of business.

Applying for tax credit

As with the sick leave, **an employer's cost of providing this leave pay will be covered by a refundable credit against employment taxes.**

You do not need to wait to file your quarterly report to seek reimbursement for these expenses. You can file IRS Form 7200, which you can find [here](#). Additional information about this form is available [here](#).

Additional Resources

There are other resources for land trusts in these bills including Small Business Administration loans. You can find summary of those provisions on the Land Trust Alliance website at <https://www.landtrustalliance.org/covid-19-resources-land-trusts>.

