HR6201, the Families First Coronavirus Response Act (FFCRA)
HR 6201, the FFCRA, was signed into law on Wednesday, March 18. This is the second measure to address the impact of COVID-19.

Mandated Paid Leave
- Private sector employers with fewer than 500 workers would have to provide as many as 12 weeks of partially paid family leave under the Family Medical Leave Act (FMLA) to care for a child whose school or day care has closed.
- Job protection (except for employers with fewer than 25 workers) – equivalent position
- First 10 days could be unpaid, though a worker could elect to use accrued vacation leave for unpaid time off.
- Following initial 10-day period, workers would receive two-thirds of normal pay rate, capped at $200 per day or $10,000 total.
- Expires December 31, 2020

Mandated Sick Leave
- Private sector employers with fewer than 500 workers would have to provide paid sick time to:
  1. Comply with quarantine/isolation order
  2. Self-quarantine per doctor’s advice
  3. Obtain medical diagnosis for CV
  4. Care for individual in quarantine
  5. Care for a child whose school/day care has closed due to CV
- FT Employees would receive 80 hours of sick leave
- PT Employees equivalent to normal work hours in 2-week period
- Paid at normal wage but limitations are:
  - For worker’s quarantine/diagnosis, cap is $511 per day or $5,110 maximum
  - For caregivers, cap is $200 per day or $2,000 maximum
- Employer cannot require use of other leave first and leave does not carry over

Tax Credits for Mandated Paid and Sick Leave
Clubs qualify to use the credits for paid and sick leave as mandated:
- Effective on April 1, 2020, and apply to leave taken between April 1 and December 31, 2020.
- Refundable tax credits to cover wages paid to employees for sick or paid leave
- Credits against employer’s payroll tax payments
- Beyond wage limits, amounts would be increased to include employer payouts for health plan coverage
- Wages paid wouldn’t be subject to employer payroll tax, credits would be increased to cover 1.45% Medicare tax
- Credit would be included in gross income
- Effective through December 31, 2020

Resources
Access FAQs from Department of Labor regarding implementation for your employees.

Review FAQs and detailed guidance from the Internal Revenue Service on how to take advantage of the credits.

Make sure to share the required DOL Required Poster for FFCRA Paid and Sick Leave with your team!
HR 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

HR 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), was signed into law on Friday, March 27. This is the third measure to address the impact of COVID-19. Clubs can take advantage of two tax credits in CARES, the Employee Retention Tax Credit and Payroll Tax Credit.

Payroll Protection Loans
Within the bill, 501(c)(7) clubs were excluded from eligibility for Payroll Protection Loans from the Small Business Administration (SBA). These loans of up to $10 million would enable clubs to help maintain operations (payroll, mortgage, rent, utilities, and certain debt payments).

Further, in the Interim Final Rule guidance released on April 2 by the SBA, “private clubs and businesses which limit the number of memberships for reasons other than capacity” are deemed ineligible.

Economic Injury Disaster Loans (EIDL)
Pending the issuance of an Interim Final Rule, clubs may be eligible to apply for Economic Injury Disaster Loans (EIDL) and a loan advance of up to $10,000. The $10,000 loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This loan advance will not have to be repaid. Learn more.

Employee Retention Tax Credit
Provides a refundable payroll tax credit for 50 percent of wages paid by clubs to employees during the COVID-19 crisis.

- Available to employers, including clubs whose:
  - operations were fully or partially suspended, due to a COVID-19-related shutdown order, or
  - gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.
- The credit is based on qualified wages paid to the employee.
- For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances described above.
- For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order.
- The credit is provided for wages paid or incurred from March 13, 2020 through December 31, 2020.

Payroll Tax Credit (Deferral)
Allows clubs to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees.

- Eligible wages for March 27 through December 31, 2020
- Employers generally are responsible for paying a 6.2% Social Security tax on employee wages.
- Deferred employment tax must be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022.

Unemployment Benefits Enhancement & Extension
- Provides an additional $600 per week payment to each recipient of Pandemic Unemployment Assistance through July 31, 2020.
- Provides an additional 13 weeks (total of 39 weeks) of benefits through December 31, 2020, to help those who remain unemployed after weeks of state unemployment benefits are no longer available.

No Double Dipping Restriction
The CARES Act prohibits double-dipping. Employers will not be able to get special SBA loans if they opt for the employee retention tax credit or the payroll tax deferral.

Resources
- IRS Guidance on Employer Retention Tax Credit
- IRS FAQs on Employer Retention Tax
- Form 7200

CMAA has worked to ensure that all information in this report is accurate as of the publication date and is consistent with good industry practices. It is recommended, however, that readers evaluate the applicability of this information considering their work conditions, particular situations, and changing standards. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.