

New Century Benefits summary for NJRHA is for illustrative purposes only, Ref. to H.R.6201

<https://www.congress.gov/bill/116th-congress/house-bill/6201/text#HCE2FD105BB48488E850CB1894DCEC9B1>

H.R.6201 - Families First Coronavirus Response Act

DIVISION D—EMERGENCY PAID LEAVE ACT OF 2020

EMERGENCY PAID LEAVE BENEFITS

Who qualifies:

- Diagnosis of COVID-19
- Individual who is under quarantine by health care provider, employer, or local, state or federal official.
- Individual is taking care of someone with a current COVID-19 diagnosis or quarantined under same definition above
- Individual must care for a child or other individual unable to provide self-care as a result of a COVID-19 related closing of a school or other care facility or care program.

Who does not qualify due to COVID-19:

- Individual who received any form of compensation from an employer (other than State or private paid leave) including wages or any form of accrued paid leave for such day
- Individual was eligible for unemployment compensation for the week in which they may be diagnosed

Eligibility:

- For an individual to be eligible they must have had wages or self-employment income during the 30-day period ending on the first emergency leave day.
- Employer Threshold: 1 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year

Benefits:

2/3 average monthly wages (not to exceed \$4000) for a 30-day period if individual meets application requirements including*:

1. He or she is eligible (per above qualifications and eligibility)
2. At least 14 emergency leave days have occurred, or are expected to occur between Jan. 19 2020 and 1 year after enactment
3. Individual has informed his or her employer of their need to take emergency leave, if they have an employer

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*If your pay fluctuates, you have two or more jobs for the same employer, you're paid for piecework, or your pay includes gratuities, food, or lodging, your rate of pay for sick leave is calculated by adding together your total earnings, exclusive of overtime pay, for the seven most recent workdays. Divide that sum by the total hours of work during that seven-day period.

Who will pay for this:

Social Security Administration (cannot use funds from Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund or appropriated to SSA for admin of titles II or XVI)

The Commissioner shall pay an emergency paid leave benefit, to be paid electronically or, if necessary, by mail, to each eligible individual for each 30-day period beginning and ending in the benefit period (not to exceed 3) for which the eligible individual has filed an application containing such certifications as required

The Commissioner accepts applications online, by phone and by mail

Caveats:

- REDUCTION BASED ON RECEIPT OF STATE OR PRIVATE PAID LEAVE.—The amount of an emergency paid leave benefit to which an individual is entitled for a 30-day period shall be reduced by \$1 for each dollar of State or private paid leave received by the individual for such period.
- State or Private Paid Leave as it relates to NJ in this law is defined as: State law and which ends either when the qualifying event is no longer applicable or a set period of benefits is exhausted.
- In general this title does not preempt or supersede any provision of State or local law that authorizes a State or local municipality to provide paid leave benefits similar to the benefits provided under this title.
- REIMBURSEMENT GRANTS TO STATES.—Not later than July 1, 2021, the Secretary of the Treasury, in consultation with the Commissioner of Social Security, shall make a grant to each State in an amount equal to the total amount, for all 30-day periods beginning and ending in the benefit period, by which benefits under this title were reduced as a result of State and private paid leave paid by such State or under the law of such State.

What this means for New Jersey Paid Sick Leave and NJ employers

NJ currently has a state mandated paid sick leave benefit. Employees can earn up to 40 hours of Paid Sick Leave in a calendar year earning 1 hour for every 30 hours worked

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If you have an employee that meets all the criteria above for the new temporary federal emergency paid sick leave law for COVID-19 and are eligible to utilize these benefits NJ employers could be paying 40 hours before the social security Commissioner starts paying the employees directly for the remainder of the 30 days. The Social Security Administration in conjunction with the Treasury will issue full reimbursements directly to the states no later than July 2021 to pay back for the initial state mandated benefits.

DIVISION E—EMERGENCY UNEMPLOYMENT INSURANCE STABILIZATION AND ACCESS ACT OF 2020

Emergency Unemployment

The emergency unemployment insurance stabilization and access act of 2020 will make it easier for employees to apply for unemployment and help states fund unemployment whose unemployment reaches 10%.

The section of Division E that is important to note is:

SEC. 104. TECHNICAL ASSISTANCE AND GUIDANCE FOR SHORT-TIME COMPENSATION PROGRAMS.

The Secretary of Labor shall assist States in establishing, implementing, and improving the employer awareness of short-time compensation programs (as defined in [section 3306\(v\)](#) of the Internal Revenue Code of 1986) to help avert layoffs, including by providing technical assistance and guidance.

What this means to NJ Restaurant and Hospitality businesses

This is a program states will be able to implement to help avoid layoffs by reducing the hours of all workers and the Short-Term Compensation (STC) will supplement the difference. This is a type of unemployment insurance.

DIVISION F—PAID SICK DAYS FOR PUBLIC HEALTH EMERGENCIES AND PERSONAL AND FAMILY CARE

Paid Sick Time for public health emergencies, personal and family care

Who does this apply to:

Any employer with 1 employee or more is a covered employer and subject to these new laws

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Paid Sick Time can be earned by an employee for use during an absence from employment for:

1. An absence resulting from a physical or mental illness, injury, or medical condition of the employee.
2. An absence resulting from obtaining professional medical diagnosis or care, or preventive medical care, for the employee.
3. An absence resulting from the closure of an employee's place of employment by order of a Federal or State public official with jurisdiction, or at the employer's discretion, due to a public health emergency.
4. An absence because a Federal or State public official with jurisdiction or a health care provider has determined that the employee's presence in the community may jeopardize the health of others because of the employee's exposure to a communicable disease during a public health emergency, regardless of whether the employee has actually contracted the communicable disease.
5. An absence for the purpose of caring for a child, a parent, a spouse, a domestic partner, or any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship—
 - a. Who is a child, if the child's school or place of care closes by order of state, fed, or at the discretion of the school due to a public health emergency; children learning remotely are included or if the person poses a risk to the community
6. An absence for the purpose of caring for a child, a parent, a spouse, a domestic partner, or any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship—
 - a. Whose absence results from a physical or mental illness, injury, or medical condition of the employee or an absence resulting from receiving a medical diagnosis or care
 - b. Who is a child, if the employee is required to attend a school meeting or a meeting at a place where the child is receiving care necessitated by the child's health condition or disability; or who is otherwise in need of care
7. An absence from domestic violence, sexual assault, or stalking if the time is to seek medical attention for the employee or employees family or to recover from physical or psychological injury or disability cause by domestic violence, sexual assault, or stalking. Or assisting a victim in obtaining services from a victim services organization Or in obtaining psychological counseling Or seek relocation Or take legal action

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Paid Sick Time can also be provided by an employer during a public health emergency for all the same 7 items listed above and is compensated at a rate not less than the employees regular rate of pay

How to Earn Paid Sick Time:

Employer shall provide each employee employed by the employer not less than 1 hour of paid sick time for every 30 hours worked and employer shall not be required to allow more than 56 hours per year.

Additional Paid Sick Time for Public Health Emergency:

- a) Employer in the jurisdiction on the date of a declaration of a public health emergency shall provide each employee with additional paid sick time in addition to any amount of paid sick time accrued by the employee. For full-time salaried employee the specified amount of paid sick time must be sufficient to provide the employee with 14 continuous days away from work without a reduction in pay; and for part-time and hourly the pay should equal the employees regular 14-day period or if they were already scheduled, the hours they were scheduled to work
- b) Employers with 50 employees or less are qualified employers for the timely reimbursement for wages paid to employees who used the additional 14 day paid sick time for a Public Health Emergency from the Secretary of the Treasury. Employers will submit an affidavit to the Secretary of Labor that attests that the employer provided the additional paid sick time with related records showing the payment of wages

What this means to NJ Restaurant and Hospitality businesses

NJ already has a mandate for earned paid sick time which allows employees to earn 1 hour of sick leave for every 30 hours worked up to 40 hours each year.

In a public health emergency, the employee may immediately use accrued paid sick time regardless of how long they have been employed by an employer OR immediately use the additional paid sick time for a public health emergency (approx. 14 days). With passage of this bill your employees in NJ will be eligible to accrue up to 56 hours of paid sick leave during the timeframe set by this legislation. Currently, employees in NJ can accrue up to 40 hours of paid sick leave. This federal mandate may increase the amount of paid sick leave your employees can earn by 16 hours for the near future, as well as, the addition of the 14 days for immediate use due to the public health emergency.

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The PAID SICK DAYS FOR PUBLIC HEALTH EMERGENCIES AND PERSONAL AND FAMILY CARE section of this legislation is a broad federal expansion of paid sick leave to include employees impacted by the COVID-19 virus, as well as, seeking medical assistance for almost any other medical reason or to care for a family member dealing with the COVID-19 or need assistance due to school closings or cannot care for themselves due to other health conditions.

Summary

The main divisions of this legislation (D, E, & F) are:

1. Emergency paid sick leave – Benefits directly tied to COVID-19 and has a duration of 30 days and maximum monthly benefit of \$4,000.
2. Emergency Unemployment Insurance - make it easier for employees to apply for unemployment and help states fund unemployment whose unemployment reaches 10% or more. Short-Term Compensation options can be used to help avoid layoffs. We expect the unemployment insurance to be utilized the most.
3. Paid sick days for public health emergencies and personal and family care – Indirectly tied to COVID-19 by including all public health emergencies, most medical conditions, and caring for family. Employees can accrue earned paid sick days that can be used for most legitimate health concerns and to care for family members.

Sincerely,

Chris Holland
President
New Century Benefits