

April 3, 2020

Labor & Employment Law Special Briefing

Highlights

- ✓ Unemployment benefits expanded
- ✓ Payroll relief for employers
- ✓ Retirement plan rules loosened
- ✓ Limits on loans to businesses and air carriers

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CARES Act provides major relief for companies of all sizes

After passing the [Families First Coronavirus Response Act](#) (FFCRA; P.L. 116-127) on March 18, 2020, which attempts to limit the spread of the COVID-19 pandemic and support relief efforts, Congress turned toward stabilizing the economy. The Senate cleared the bipartisan [Coronavirus Aid, Relief, and Economic Security](#) (CARES) Act (P.L. 116-136), by a unanimous vote on March 25. The House of Representatives then voted to pass the massive \$2 trillion tax and spending COVID-19 emergency relief package on March 27. President Trump signed the bill into law later on March 27, 2020.

The CARES Act is the third, and largest in terms of spending, piece of federal legislation to address the COVID-19 pandemic. The Act includes significant relief for companies and individuals, including the highly publicized recovery rebates for individual taxpayers and the creation of three new unemployment insurance programs. The law includes a multitude of tax benefits for companies of all sizes, provides significant payroll relief, and clarifies the emergency paid family leave and paid sick leave provisions in the FFCRA, among other relief.

Emergency paid family and sick leave

The CARES Act makes several changes to the FFCRA, notably in the Emergency Family and Medical Leave Expansion Act (EFMLEA) and the Emergency Paid Sick Leave Act (EPSLA).

Paid family medical leave

Under the expanded FMLA, an eligible employee is defined as a worker who has been employed for at least 30 calendar days by the employer. The CARES Act expands the definition of eligible employees in the EFMLEA to include rehired employees. A rehired employee is an individual who was laid off by that employer not earlier than March 1, 2020, who had worked for the employer for not less than 30 of the last 60 calendar days prior to the employee's layoff, and who was rehired by the employer.

Under the FFCRA, the employer's obligation for paid family and medical leave is capped at \$200 per day and \$10,000 in the aggregate. The CARES Act clarifies that this maximum amount must be paid by the employer "for each employee." Note that the emergency family and medical leave requirements apply to employers with *fewer* than 500 employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year.

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Paid sick leave

The CARES Act also makes several modifications to the FFRCA's emergency paid sick leave provisions.

While the Act does not change the duration of paid sick leave provided under the FFRCA, it does add maximum dollar amounts that an employer is required to pay employees for paid sick leave. Specifically, when the employee takes leave because the employee is subject to

1. takes a leave under the EPSLA; or
2. files a complaint, institutes—or causes to be instituted—any proceedings under or related to the EPSLA, or testifies in any such proceeding.

In the FFCRA, the anti-retaliation provision stated that employers are prohibited from retaliating against an employee if both (1) and (2) are satisfied. Thus, the CARES Act expands the protection.

Exclusions

The CARES Act allows the Director of the Office of Management and Budget to exclude certain employers of the U.S. government from the provisions of both the EFMLEA and EPSLA, by allowing the removal of some Executive Branch employees from the definition of "employee."

Data collection, investigations, regulatory authority

The Secretary of Labor or his designee is authorized to investigate and gather data to ensure compliance with the Act. Also, the Secretary has the authority to issue regulations under the Act.

Emergency unemployment insurance

The CARES Act creates three new unemployment insurance programs, all of which are funded through the federal government.

Pandemic Unemployment Assistance program

The CARES Act contains multiple unemployment insurance provisions, one of which creates a temporary Pandemic Unemployment Assistance program through the end of 2020. The program provides payments to individuals who are not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency.

Tax credit advances

Under the FFRCA, employers are required to provide paid family leave and sick leave to employees. Companies will then receive a dollar-for-dollar reimbursement from the IRS in the form of a tax credit. To help companies with the up-front costs, the CARES Act allows employers to request an advance of anticipated tax credits and refunds.

a federal, state, or local quarantine or isolation order related to COVID-19; the employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; or the employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis, employers are not required to pay more than \$511 per day, and \$5,110 in the aggregate.

Alternatively, when the employee is taking leave because the employee is caring for someone else who is subject to a federal, state, or local quarantine or isolation order related to COVID-19; the employee is caring for someone who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; the employee is caring for his/her child if the child's school or place of care has been closed or the child's care provider is unavailable due to COVID-19 precautions; or the employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, employers are not required to pay more than \$200 per day, and \$2,000 in the aggregate.

Employers are prohibited from discharging, disciplining, or in any other manner discriminating against an employee who either:

Who is covered?

The term “covered individual” means an individual who:

- (1) has been diagnosed with COVID-19, is experiencing symptoms of COVID-19 and is seeking a medical diagnosis, has a household member with COVID-19, or is providing care to someone in his or her household or a family member who has been diagnosed with COVID-19;
- (2) is taking care of a child or other person for whom the individual has primary responsibility and that child or other person is unable to attend school or another facility because it is closed due to the COVID-19 emergency, and the school or other facility is required for the individual to work;
- (3) has been quarantined and cannot reach his or her place of employment;
- (4) has been advised by a health care provider to self-quarantine and cannot go into work;
- (5) was scheduled to start working and no longer has a job or cannot reach the job because of the COVID-19 emergency;
- (6) has become the major breadwinner of the household because the head of the household has died from COVID-19;
- (7) has had to quit his or her job as a direct result of COVID-19;
- (8) cannot go to work because his or her place of employment has closed due to COVID-19; or
- (9) meets any other additional criteria established for unemployment assistance under this program.

A “covered individual” is *not* a person who:

- (1) has the ability to telework with pay; or
- (2) is receiving paid sick leave or other paid leave benefits.

Availability of assistance

Assistance will be available to a covered individual for weeks of unemployment, partial unemployment, or the inability to work caused by COVID-19 beginning on or after January 27, 2020, and ending on or before December 31, 2020.

Total number of weeks of assistance

The total number of weeks of assistance may not exceed 39 weeks, which includes any week for which the covered individual received regular compensation or extended benefits under any

federal or state law. Note that if these extended benefits are extended, the 39-week period also will be extended by the same number of weeks. In addition, there will be no waiting week for an otherwise eligible individual.

Pandemic Emergency Unemployment Compensation program

Any state that desires to do so may enter into an agreement with the Secretary of Labor to provide payments of pandemic emergency unemployment benefits to individuals who:

- (A) have exhausted all rights to regular compensation under state or federal law for a benefit year beginning on or after July 1, 2019;
- (B) have no rights to regular compensation for a week under that state’s or any other state’s unemployment compensation law or to compensation under any other federal law;
- (C) are not receiving compensation with respect to a week under the unemployment compensation law of Canada; and
- (D) are able to work, available to work, and actively seeking work.

The amount of pandemic emergency unemployment compensation payable to an individual each week is equal to the amount of his or her regular compensation.

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Governmental entities, nonprofit organizations

The CARES Act provides payment to the states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020, to pay unemployment benefits. It also permits the Secretary of Labor to issue clarifying guidance that would allow states to interpret their UI laws to provide maximum flexibility to reimbursing employers as those laws relate to timely payment and the assessment of penalties.

Thirteen additional weeks of unemployment benefits through December 31, 2020, will be provided by the federal government to help those who remain unemployed after weeks of state unemployment benefits are no longer available.

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Payment of extended benefits that an individual is eligible to receive must be deferred until after the payment of pandemic emergency unemployment benefits.

Increases UI benefits

An additional \$600 per week payment will be given to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months. The additional amount may be paid together with the regular amount of benefits owed or separately by the state, but must be paid on the same weekly basis as the regular benefit amount. The program begins after the state enters into an agreement with the Secretary of Labor and ends on or before July 31, 2020.

Short-time compensation programs

Short-time compensation is a variation of the unemployment insurance program that is designed to help avert layoffs. States may pay *pro rata* benefits to individuals who are working less than full-time because their employer has a plan approved by the state agency that provides for a reduction in work hours for employees instead of temporary layoffs.

Also known as work sharing or the shared-work program, short-time compensation is overseen by the Department of Labor and administered by the states.

The unemployment insurance provisions of Title II of the CARES Act also include support for these short-time compensation programs.

Temporary financing of current state programs

Temporary federal financing is provided for states that currently have a short-time compensation program set forth in state law. The Act provides financing for 100 percent of short-time compensation paid under such a program for weeks of unemployment beginning on or after the date of enactment (March 27, 2020), and ending on or before December 31, 2020.

The Act sets forth the following limitations:

- No payments can be made to a state for short-time compensation paid to an individual by the state during a benefit year in excess of 26 times the amount of regular compensation (including dependents' allowances) payable under the state law; and
- No payments can be made to a state for short-time compensation paid to an individual if the individual is employed by the participating employer on a seasonal, temporary, or intermittent basis.

If, after March 27, 2020, a state passes a law providing for the payment of short-time compensation under an approved program, then the state will be eligible for this temporary financing.

Temporary financing of new state agreements

Temporary federal financing is provided for any state that enters into, and participates in, a

False statement or misrepresentation

If an individual knowingly makes a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and has received pandemic emergency benefits to which he or she was not entitled, that individual will be ineligible for further pandemic emergency benefits and will be subject to prosecution.

If an individual receives pandemic emergency benefit payments to which he or she is not entitled, the payments must be repaid except under specific circumstances.

No waiting week

Funding is provided to pay the cost of the first week of unemployment benefits through December 31, 2020, for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits.

Emergency state staffing flexibility

States will be given temporary, limited flexibility through December 31, 2020, to hire temporary staff, rehire former staff or retirees, or take other temporary steps to quickly process unemployment claims.

federal-state short-time compensation agreement, provided that such state's law does not currently provide for payment of short-time compensation under an approved short-time compensation program.

Under such agreements, employers must pay the state an amount equal to 50 percent of the amount of the short-time compensation paid under the plan. States would be eligible for temporary federal financing of 50 percent of the amount of short-time compensation paid. Such a federal-state agreement applies to weeks of unemployment beginning on or after the date of enactment (March 27, 2020), and ending on or before December 31, 2020.

Grants to support implementation and administration

A maximum of \$100 million is earmarked for the Secretary of Labor to award grants to states for the implementation and administration of approved short-time compensation programs. A grant must be used for the implementation, improved administration, and enrollment efforts associated with short-time compensation programs, such as through the:

- Creation or support of rapid response teams to advise employers about the alternatives to layoffs;
- Provision of education or assistance to employers to enable them to assess the feasibility of participating in short-time compensation programs; and
- Development or enhancement of systems to automate the approval of plans and the filing of new and ongoing short-time compensation claims.

Model language and guidance

In order to assist states in establishing, qualifying, and implementing approved short-time compensation programs, the Secretary of Labor is directed to develop model legislative language and provide technical assistance and guidance for use by the states. In addition, the Secretary must establish requirements for the states to report on the number of estimated averted layoffs and the number of participating employers.

Railroad Unemployment Insurance Act

The Railroad Unemployment Insurance Act (RUIA) provides qualified railroad employees with benefits to restore part of their lost wages during periods of unemployment and sickness. Benefits are based on biweekly claims filed with the Railroad Retirement Board, the federal

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Oversight and guidance

Funds are appropriated to the Office of the Inspector General of the Department of Labor to carry out audits, investigations, and other authorized oversight activities of the Act's unemployment insurance provisions.

The Secretary of Labor may issue any operating instructions or other guidance necessary to carry out the Act's unemployment insurance provisions.

agency responsible for administering the RUIA. The funds to pay unemployment benefits are provided by payroll taxes on railroad employers only. Employees do not pay railroad unemployment insurance taxes.

The unemployment insurance provisions of Title II of the CARES Act include amendments to the RUIA.

Temporary waiver of waiting period

The Act temporarily waives the seven-day waiting period for unemployment and sickness benefits under the RUIA. With respect to any registration period beginning on or after the date of enactment (March 27, 2020), and ending on or before December 31, 2020, the waiting period will not apply.

If the funds appropriated to cover the cost of the temporary waiver are exhausted, the waiver would no longer apply.

Enhanced unemployment benefits

The Act amends the RUIA to provide for additional recovery benefits of \$1,200 per two-week registration period for each recipient of railroad unemployment benefits or Pandemic Unemployment Assistance. This benefit is *in addition* to the current

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biweekly unemployment benefit maximum received by most claimants. The enhanced unemployment benefits apply to registration periods beginning on or after April 1, 2020, through July 31, 2020.

Funds appropriated to cover the cost of the additional recovery benefits will remain available until expended.

Extended unemployment benefits

Railroad workers who received regular unemployment benefits during the period from July 1, 2019, to June 30, 2020, may be eligible for extended benefits under the Act. Workers with 10 years or

term “payroll costs” would mean the sum of: salary, wages, commissions, or similar compensation; payment of cash tips or equivalent; payment for vacation, parental, family, medical, or sick leave; allowance for dismissal or separation; payment required to provide group health care benefits, including insurance premiums; payment of any retirement benefit; or payment of state or local tax assessed on the compensation of employees.

Eligible employers

The loan program applies to employers with fewer than 500 employees or, if applicable, the size standard in number of employees established by the Administration for the industry in which the business concern, nonprofit organization, veteran’s organization, or tribal business concern operates. Employers with more than one physical location that employ not more than 500 employees per physical location and that are assigned a North American Industry Classification System code beginning with 72—the “Accommodation and Food Services sector,” or hotels and restaurants—at the time of disbursement are eligible to receive a covered loan. This makes large hotel and restaurant chains with multiple locations eligible for the loan program.

Employee retention credit

A refundable payroll tax credit is allowed for 50 percent of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order, or (2) 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 employees. For employers with more than 100 full-time employees, qualified wages are wages paid to employees when they are *not* providing services due to COVID-19-related circumstances. For eligible employers with 100 or less 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 the first \$10,000 of compensation, including health benefits, paid to an eligible employee for all calendar quarters, so the maximum *credit* for an eligible employer for qualified wages paid to any employee is \$5,000.

Student loan repayments

The CARES Act enables employers to provide a student loan repayment benefit to employees on a tax-free basis. Under the provision, an employer may contribute up to \$5,250 annually toward an employee’s student loans; this payment would be excluded from the employee’s income. The \$5,250 cap applies to both the new student loan repayment benefit as well as other educational assistance (e.g., tuition, fees, books) provided by the employer under current law. This provision applies to any student loan payments made by an employer on behalf of an employee after the date of enactment (March 27, 2020) and before January 1, 2021.

more of service, who were previously eligible for up to 65 days in extended benefits, will be eligible for benefits of up to a total of 130 days within 13 consecutive two-week registration periods. Workers with less than 10 years of service will be eligible for up to 65 days of extended benefits within seven consecutive two-week registration periods. No extended benefit period will begin after December 31, 2020.

Payroll relief

The CARES Act provides significant payroll relief to U.S. employers, including paycheck protection, an employee retention credit, and a payroll tax delay.

Paycheck protection

Under the Act, eligible small businesses can obtain loans to cover employee payroll costs. The

The credit is provided for wages paid or incurred from March 13, 2020, through December 31, 2020.

Delay of payment of employer payroll taxes

The Act allows employers to delay the payment of the employer share of payroll taxes until 2021 and 2022, with half of payroll taxes for 2020 due by December 31, 2021, and the other half due by December 31, 2022. However, this does not include personal income tax withheld, as there is no reference to Code Sec. 3402 and there is no employer-share for withheld income tax. The CARES Act allows employers (and self-employed individuals) to defer paying their portion of the Social Security payroll tax (6.2 percent) on employee wages.

Deposit penalty waiver

The Secretary of the Treasury could waive any penalty for any failure to make a deposit of the payroll taxes if the Secretary determines that such failure was due to the anticipation of the credits allowed under the law. Again, this does not include personal income tax withheld as there is no reference to Code Sec. 3402.

Advance payment of payroll credit

Under the Act, employers may be able to obtain the payroll tax credit in advance. The Secretary of the Treasury will be required to issue forms and instructions as are necessary to allow the advance payment of the credit to be calculated through the end of the most recent payroll period in the quarter.

Health and privacy

The CARES Act modifies health plan coverage, including expanding qualified medical expenses for high-deductible health plans (HDHPs), and requires HHS to issue guidance on Health Insurance Portability and Accountability Act (HIPAA) compliance during a national health emergency.

COVID-19 diagnostic testing

The FFRCA requires that individual and group health plans cover FDA-approved COVID-19 testing

and treatment without any cost-sharing. The CARES Act expands this provision and applies it to additional forms of approved testing during the public health emergency (such as certain state-approved tests or other HHS-approved tests).

The expansion covers testing that has not yet made it through the FDA approval process but is being utilized, so that an individual who is given such a test does not have his or her health plan deny coverage for the diagnostic test as an experimental treatment or care.

COVID-19 preventive care coverage

The CARES Act requires group health plans and health insurance issuers to cover any qualifying coronavirus preventive service. Group health plans will be required to cover coronavirus preventive measures (when developed) within 15 business days of the date that the preventive service is recommended by the CDC. Note that vaccines for coronavirus (when developed) would be covered as preventive care under the Patient Protection and Affordable Care Act (ACA), under the same provisions that cover flu vaccines.

Telehealth

For plan years beginning on or before December 31, 2021, telehealth and remote care are added to the list of coverage items that are disregarded for purposes of determining if a plan qualifies as an HDHP. Therefore, a plan will be treated as an HDHP even if it does not impose a deductible for telehealth or other remote care services. This is a temporary measure to support individuals who are sheltering in place during the COVID-19 pandemic.

Over-the-counter medicines and products

The CARES Act eliminates the ACA's ban on pretax reimbursement for over-the-counter drugs, including those needed in quarantine and social distancing, without a prescription from a physician. This ACA restriction has applied to health savings accounts (HSAs); Archer medical savings accounts (MSAs); and group health plans, including health flexible spending arrangements (FSAs) and health reimbursement arrangements

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(HRAs) since 2011. Under the CARES Act, health accounts and plans also are allowed to treat menstrual care products as qualified medical expenses reimbursable on a pre-tax basis. These changes are effective for expenses incurred after December 31, 2019.

Retirement plan provisions

The CARES Act waives both the retirement plan early withdrawal penalty and required minimum distribution for 2020; it also relaxes the retirement plan loan rules.

Protected health information

The Act directs HHS to issue guidance on sharing protected health information (PHI) during a public health emergency within 180 days of enactment, which should include information on compliance with HIPAA regulations and applicable policies.

10 percent penalty on early distributions waived

Consistent with previous disaster-related relief, the Act waives the 10 percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts, such as profit-sharing plans, 401(k) plans, and IRAs, for coronavirus-related purposes made on or after January 1, 2020, and before December 31, 2020. In addition, income attributable to such distributions is subject to tax over three years, and the individual may retribute the funds to an eligible retirement plan within three years without regard to that year's cap on contributions.

A qualified individual is someone:

- who is diagnosed with COVID-19;
- whose spouse or dependent is diagnosed with COVID-19; or
- who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual

due to COVID-19, or other factors as determined by the Treasury Secretary.

Extension for loan due dates

The CARES Act provides flexibility for loans from certain retirement plans for coronavirus-related relief. The relief applies to loans made by a qualified individual during the 180-day period beginning on the date of the enactment of the legislation for amounts up to \$100,000. If the due date for any repayment for the loan occurs during the period beginning on the date of the enactment of the Act and ending on December 31, 2020, the due date is delayed for one year. Note that a qualified individual is defined above for COVID-19-related plan distributions.

Required minimum distributions

The required minimum distribution rules have been waived for certain defined contribution plans and IRAs for calendar year 2020, providing relief to individuals who would otherwise be required to withdraw funds from their retirement accounts during the economic slowdown due to COVID-19.

Single-employer plan funding relief

Any required minimum contribution to a single employer defined benefit plan, including any quarterly contribution, that would otherwise be due during calendar year 2020, will not be due until January 1, 2021. However, the delayed payment will include accrued interest.

In addition, a plan sponsor is allowed to elect to treat the plan's adjusted funding target attainment percentage (AFTAP) for the last plan year ending before January 1, 2020, as the AFTAP for plan years that includes calendar year 2020.

Charitable employers

The CARES Act extends the special cooperative and small employer charity pension plan rules to pension plans sponsored by charitable organizations whose primary tax-exempt purpose is to provide medical care and assistance to mothers and children to allow for more flexibility in the amount of required payments.

Conditions on loans to businesses and air carriers

To help stabilize the economy, the CARES Act allows the federal government to make loans, loan guarantees, and other investments available to distressed businesses. The Act provides \$25 billion to passenger air carriers and related businesses; \$4 billion to cargo air carriers; and \$17 billion to businesses critical to maintaining national security. It also creates an Exchange Stabilization Fund (ESF), which is an emergency reserve fund that provides the Treasury Secretary with the authority to distribute emergency funding to assist companies of *all sizes*.

However, the CARES Act puts several important conditions on employers that take advantage of the loans and other assistance. Loans are only available to employers that were created in the United States, with a majority of U.S.-based employees, and that have incurred losses as a result of the COVID-19 pandemic. Additionally, the companies:

- may not pay dividends or repurchase stock from shareholders over the duration of the loan;
- must maintain employment levels by keeping 90 percent of their workforce; and
- must comply with limits on executive compensation (as described below).

Mid-size businesses (those with 500 to 10,000 employees):

- are restricted from outsourcing/offshoring for the term of the loan, plus an additional two years;
- are not allowed to abrogate collective bargaining agreements for the term of the loan, plus an additional two years; and
- must remain neutral in any union organizing effort for the term of the loan.

Air carrier workers

The CARES Act contains several provisions that are specifically targeted to help the commercial air industry and its workers. The Act appropriates \$25 billion in financial assistance to passenger air carriers, \$4 billion to cargo air carriers, and \$3 billion to contractors that provide catering functions or functions on airport property. This financial assistance must

be exclusively used to continue paying employee wages, salaries, and benefits.

All air carriers and covered contractors seeking financial assistance must certify that they will refrain from:

- involuntary furloughs of employees until September 30, 2020;
- reducing employee pay rates until September 30, 2020;
- conducting stock buybacks through September 30, 2021; and
- paying dividends through September 30, 2021.

The Act also specifies that air carriers and contractors may not be required by the federal government to re-open their collective bargaining agreements with any unions representing their employees.

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Expansion of DOL authority under ERISA

The CARES Act expands the DOL's authority under ERISA to postpone certain plan-related deadlines due to a public health emergency as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act.

Executive compensation

The CARES Act requires restrictions on executive compensation both for businesses that wish to receive a loan, loan assistance, or other financial assistance, as well as for air carriers and contractors that wish to receive funds to pay for employee wages.

Over \$425K

Specifically, officers or employees of the business or air carrier who received aggregate base salary, bonuses, awards of stock, and other financial benefits ("total compensation") that exceeded \$425,000 in calendar year 2019 may not receive:

- total compensation exceeding their calendar year 2019 compensation over any consecutive 12 months of the covered period; or
- severance benefits exceeding more than two times their calendar year 2019 compensation.

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Over \$3M

In addition, to the extent any officer or employee of the business had total compensation that exceeded \$3 million in calendar year 2019, then during any consecutive 12 months of the covered period, that employee or officer may not receive total compensation that exceeds the sum of:

- \$3 million, plus
- 50 percent of the excess over \$3 million of the total compensation received by the officer or employee in calendar year 2019.

These executive compensation restrictions remain in place for the term of the loan, plus an additional 12 months.

Credit protection

The CARES Act also amends the Fair Credit Reporting Act to impose new coronavirus-related reporting requirements on furnishers of information to credit reporting agencies. If an institution allows a consumer to defer one or more payments, make a partial payment, forbear any delinquent amounts, modify a loan or contract, or provides any other assistance or relief granted to a consumer who is affected by the COVID-19 pandemic, the institution must report the consumer's obligation or account as "current" (or as the status reported prior to the accommodation).

This credit protection is available beginning January 31, 2020, and ends 120 days after the date of enactment or 120 days after which the national emergency related to COVID-19 is terminated.

Temporary hiring flexibility

The Act grants temporary hiring flexibility to the Secretary of Housing and Urban Development, the Securities and Exchange Commission, and the Commodity Futures Trading Commission to recruit and appoint candidates to fill temporary and term positions within their agencies to help the agencies prevent, prepare for, or respond to the COVID-19 outbreak. This permission expires either when the national emergency is terminated or on December 31, 2020.

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