

April 7, 2020

In an effort to keep you updated during the COVID-19 pandemic, we will be sending you daily updates on the latest developments. Please do not hesitate to reach out to your Sheakley HR team member should you have additional questions or concerns!

Families First Coronavirus Response Act:

We are receiving a great deal of questions regarding the COVID-19 pay codes and how they should be used. Attached (FFCRA Chart) is a chart that helps to breakdown what type of leave an employee is eligible for and how their compensation will look. For each situation outlined on the chart, the pay codes should be used as follows:

Paid Sick Leave (Self): the **COVIDSICK** pay code should be used

Paid Sick Leave (Family Member): the **COVIDPAY** pay code should be used

Expanded FMLA: the **COVIDCHILD** pay code should be used

I would also like to reiterate that employers with 50 employees or less are ONLY exempt from having to offer paid leave to employees needing time away to care for a child under the age of 18 whose school or childcare facility has closed. There are current no other exemptions under the FFCRA. At this time, there is no formal way for an employer to file for an exemption with the Department of Labor. At this time, employers will document why offering the leave to care for a child would cause the organization financial hardship.

The Department of Labor has also issued guidance on whether or not “shelter-in-place” or “stay-at-home” orders qualify as a Federal, State or local quarantine or isolation order related to COVID-19. The answer to this is, yes. Employees who request leave due to the shelter-in-place order are now eligible for the Paid Sick Leave as long as the business is open and employees do not have the ability to tele-work. If the organization is completely shut down due to COVID-19, employees would not be eligible for this leave.

As a reminder, if your organization shut down or laid employees off before the FFCRA effective date of April 1, you are NOT required to offer the paid leave.

Coronavirus Aid, Relief, and Economic Security Act (CARES)- SBA loans and Paycheck Protection Program:

A common misconception with the CARES Act is that employers can elect to defer FICA tax payments until the PPP loan is approved. Attached (NAPEO CARES Act Summary) was provided to us from the National Association of Professional Employer Organizations (NAPEO) which helps to summarize the CARES Act and outlines what employers are eligible for.

If employers opt in to deferring FICA taxes, the deferral will continue throughout 2020. Employers are not able to stop the FICA deferral when their PPP loan is approved. The taxes will also need to be paid back in full the end of 2022 with 50% being due at the end of 2021.

Employers are not eligible to participate in all of options available to them under the CARES Act, by electing to defer FICA taxes you become ineligible for the PPP loan forgiveness.

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Unemployment Update:

Sheakley is working diligently to respond to and assist our employees/clients with all things related to unemployment. Unfortunately, the states systems were not prepared for the large quantity of claims they have been receiving and Sheakley has no bearing on how those systems operate.

1. We do have a few tips that we can provide to employees to assist in speeding up the process (hopefully!):
2. Employees should double check that they are entering their personal information correctly (name, date of birth, social, etc). Sheakley is unable to edit information submitted to unemployment.
3. Educate employees on the organizations tax registered name. Example: Sheakley HR Solutions vs. Sheakley HR LLC
4. Provide the COVID-19 mass layoff number (Ohio only), 2000180
5. When filing their weekly claims, they should answer “No” to whether or not they were discharge – and if asked about employment search add COVID19 as their answer
6. The only way to reset a PIN is to call the unemployment office directly. Sheakley is unable to reset PINS with ODJFS
7. While we acknowledge that filing for unemployment has become a frustrating process, Sheakley does not have the ability to make this process any smoother. We recommend contacting the Ohio Attorney General’s office, and the Governor’s office to report your frustrations so that they are kept aware of the process’s continued failure to support the unemployed workers.

Sheakley HR COVID-19 Resource Page:

In addition to our daily email updates, we are also working diligently to keep our Sheakley HR COVID-19 Resource Page up-to-date. You can visit this page at <https://ww2.sheakley.com/coronavirus-update/>.