Senator Bill Cassidy, M.D.
H.R. 6201
Families First Coronavirus Response Act

This document provides a high-level summary of the paid leave and tax credit provisions contained within H.R. 6201, which passed into law on Wednesday, March 18th. These provisions are contained within Divisions D, E, and G of the legislative text. The full legislative text can be found at Congress.gov by searching HR 6201.

The four interlocking paid leave tax credits include:

1) Employer provided sick leave
2) Employer provided caregiver leave
3) Self-employed sick leave
4) Self-employed caregiver leave

1. ***Employer provided sick leave – 10 days***
   The leave requirement is the lesser of the regular pay or $511 a day, for a maximum of 10 days. (Note, 10 days is used interchangeably with 2 weeks, but 80 hours is technically correct). This is only for an employee themselves that is sick or quarantined. Part time-workers receive the average of two-weeks wages, using a 6-month lookback (or relevant duration, if employed less than 6 months). Employers cannot require employees to find someone to cover their shift or workload, when leave is taken.

2. ***Employer provided caregiver leave – 10 days***
   For an employee needing leave to provide care to family, the same two-week period applies, but it is capped at the lesser of 2/3rds wages or $200.

   After first 10 days of leave for both 1 & 2 above
   This would likely get triggered by employees who need to be away from work because their child is at home due to school closure or childcare closures. These employees can get up to an additional 10 weeks of leave, with a wage replacement rate of 2/3rds, capped at $200.

   Employers with 25 or less employees are exempt from mandated job protection in this scenario, if the employee's position no longer exists for coronavirus related economic reasons. In such a situation, if a similar position then becomes available within the next year, the employer must first make it available to the impacted employee.

3. ***Self-employed sick leave***
   This operates analogously to the employer provided sick leave benefit above, with additional details explained below.

4. ***Self-employed caregiver leave***
   This operates analogously to the employer provided caregiver leave benefit above, with additional details explained below.

Beyond wage limits, the four tax credits to reimburse employers also cover:

1) Employer contributions to employee healthcare coverage
2) Employers 1.45% Medicare tax for employees
3) Employer payroll tax exemption

The U.S. Department of Labor has broad authority to provide exemptions to:

1) Certain healthcare providers and emergency first responders
2) Exempt small business with fewer than 50 employees

How does administration differ for self-employed small businesses?
There's a parallel regime for the self-employed, and they can calculate an equivalent amount to the $511 per-day, or the $200 per-day respective caps. This then becomes an income amount that self-employed are treated as if they're paying to themselves while they receive the corresponding employer credit. With the disaster declaration, the disaster unemployment assistance program does allow for self-employed individuals to qualify as if they were a terminated employee, in order to qualify for unemployment.

Why do the paid leave and tax credit provisions only apply to employers with 500 or fewer employees?
The overall structure was designed to provide relief to smaller employers, who are less likely to have the infrastructure or resources to provide robust paid sick leave. For public health reasons, lawmakers needed to create an incentive for sick and exposed employees to stay home and not worry about not getting paid.