



## **COVID-19: Impacting Your Business**

March 31, 2020

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Director

# Housekeeping

You will receive a copy of this presentation.

We will answer your questions in a FAQ. We will send those to you, too.

This is being recorded, so if you want to listen again, or share with your colleagues, please do so.

# COVID-19 by the Numbers- California

As of March 29, 2020, 2 p.m. Pacific Daylight Time, there are a total of 5,763 positive cases and 135 deaths in California.

- **Ages of all confirmed positive cases:**
- Age 0-17: 65 cases
- Age 18-49: 2,973 cases
- Age 50-64: 1,447 cases
  
- Age 65 and older: 1,252 cases
- Unknown: 26 cases
- **Gender of all confirmed positive cases:**
- Female: 2,581 cases
- Male: 3,083 cases
- Non-binary: 0 cases
- Unknown: 99 cases

# FFCRA Update

- For the period March 18 through April 17, 2020, the DOL will not bring penalties against an employer related to the FFCRA as long as they have made reasonable, good faith efforts to comply with the Act.  
In order to meet the “reasonable” and “good faith” requirements, following must be present:
- The employer remedies any violations, including by making all affected employees whole as soon as practicable.
- The violations of the Act were not “willful” i.e. either knew they were in violation or showed reckless disregard in violating the Act.
- The Department receives a written commitment from the employer to comply with the Act in the future.
- If an employer either (1) violates the Act willfully, (2) fails to provide a written commitment to future compliance with the Act, or (3) fails to remedy the violation upon notification by the DOL, the employer must make the employee whole as soon as practicable and the DOL reserves its rights to exercise its enforcement authority.

After April 17, 2020, the DOL will fully enforce violations of the Act.

# California Legislation Passed/Pending

- |            |   |
|------------|---|
| California | <a href="#">SB 89</a> Appropriates \$500 million from the General Fund for purposes related to the COVID-19 Proclamation of Emergency. Allows the appropriation to be increased in \$50 million increments up to a total to not exceed \$1 Billion. <b>Enacted.</b> |
| California | <a href="#">SB 117</a> Appropriates \$100 million for local education agencies to purchase protective equipment and supplies and labor related to cleaning school sites. <b>Enacted.</b>  |
| California | <a href="#">SB 939</a> Makes it unlawful to evict the tenant of a commercial property during the COVID-19 Emergency. <b>Pending.</b>  |
| California | <a href="#">SB 943</a> Authorizes wage replacement benefits to workers who take time off work to care for a minor child whose school has been closed due to the COVID-19 virus outbreak. <b>Pending.</b>  |

# Carrier Updates

- Insurance Carriers are issuing bulletins daily dealing with their procedures. Each carrier will have a different set of guidelines based on state specific and carrier specific regulations
- [www.benefitmall.com/covidresources](http://www.benefitmall.com/covidresources) has updates by carriers by state
  - In most states, Departments of Insurance are giving carriers wide latitude with regard to keeping EEs on the plan due a reduction in hours worked, furloughs and lay-offs.
  - Some carriers have relaxed premium payment due dates
  - Check this site daily for the latest information in one place

# COVID-19 Special Enrollment Opportunity

In an effort to ensure employees have access to care, carriers have opened limited time special enrollment opportunities (SEO).

- The SEO is designed to allow employees, who previously declined coverage during renewal or original enrollment, to enroll on the group plan off-anniversary.
- Some carriers take it a step further by allowing employees currently enrolled to change their plan - like downgrading to a more affordable option.

# Disability or Paid Family Leave Benefits- CA

## What benefits are available if I'm sick and can't work?

- If you're unable to work due to having or being exposed to COVID-19 and if you have the necessary supporting medical documentation (see question #2), you are encouraged to [file a Disability Insurance \(DI\) claim](#). DI provides short-term benefit payments to eligible workers who have a full or partial loss of wages due to a non-work-related illness, injury, or pregnancy. Most California workers are covered by DI through deductions from their paychecks (noted as "CASDI" on most paystubs).
- The [Governor's Executive Order](#) waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

# Disability or Paid Family Leave Benefits- CA

## What kind of medical documentation is required to support a claim for Disability Insurance benefits?

- To be eligible for Disability Insurance (DI) benefits, you must submit certain medical documentation. This requirement can be met by a medical certification signed by a treating physician or a practitioner that includes a diagnosis and ICD-10 code, or if no diagnosis has been obtained, a statement of symptoms; the start date of the condition; its probable duration; and the treating physician's or practitioner's license number or facility information. This requirement can also be met by a written order from a state or local health officer that is specific to you.
- Telehealth and virtual appointments are acceptable for a physical examination, but medical certifications are still required.
- For fastest processing of your claim, [submit your claim online](#) and have your supporting medical documentation submitted online immediately after.
- You may also request that the EDD send you a [Claim for Disability Insurance \(DI\) Benefits \(DE 2501\) \(PDF\)](#) form, which can be [ordered online](#) and sent to you. Submit the completed form to the EDD using the envelope provided. If your medical documentation is provided in any other form other than EDD's designated claim form, it should be submitted separately by mail to:
- Employment Development Department  
PO Box 10402  
Van Nuys, CA 91410-0402

# Disability or Paid Family Leave Benefits- CA

## How much can I earn in disability benefits?

- Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week. The EDD provides a [Disability Insurance Calculator](#) to estimate your potential benefit amount. Disability benefits are paid through the date your doctor certifies or when you exhaust your available benefits, whichever comes first within a 52-week period.
- The [Governor's Executive Order](#) waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

## Can I qualify for disability benefits if I'm quarantined?

- Yes, if your quarantine is certified by a medical professional or a state or local health officer. If you are not found eligible for DI, you are encouraged to apply for an Unemployment Insurance (UI) claim.

# Disability or Paid Family Leave Benefits- CA

## What kind of medical documentation is required to support a claim for PFL benefits?

- To be eligible for PFL benefits, you must submit certain medical documentation regarding the family member in your care who is either ill or quarantined due to COVID-19. This requirement can be met by a medical certification for that person from a treating physician or a practitioner that includes a diagnosis and ICD-10 code, or if no diagnosis has been obtained, a statement of symptoms; the start date of the condition; its probable duration; and the treating physician's or practitioner's license number or facility information. This requirement can also be met by a written order from a state or local health officer that is specific to your family member's situation. Absent those documents from a physician or health officer, you may be eligible for an Unemployment Insurance (UI) claim instead. See question #11.
- Telehealth and virtual appointments are acceptable for a physical examination, but medical certifications are still required.
- For fastest processing of your claim, [submit your claim online](#) and have the supporting medical documentation submitted online immediately after.
- You may also request that the EDD send you a [Claim for Paid Family Leave \(PFL\) Benefits \(DE 2501F\) \(PDF\)](#) form, which can be [ordered online](#) and sent to you. Submit the completed form to the EDD using the envelope provided. If your medical documentation is provided in any other form other than the EDD's designated claim form, it should be submitted separately by mail to:
- Employment Development Department  
PO Box 45011  
Fresno, CA 93718-5011

# Disability or Paid Family Leave Benefits- CA

## How much can I earn in Paid Family Leave benefits?

- Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week. You can use the [Paid Family Leave Calculator](#) to help estimate your potential benefit amount.
- If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

## If I am self-employed, and am sick or caring for a sick family member, can I apply for benefits?

- If you are self-employed, you may have benefits available from the EDD employment insurance programs that you or your employer may have paid into over the past 5 to 18 months. You may have contributions from a prior job, or it's possible you may have been misclassified as an independent contractor instead of an employee.
- We encourage you to [file a Disability Insurance \(DI\) claim](#) if you are sick or quarantined. If you are caring for an ill or medically quarantined family member, [file a Paid Family Leave claim](#). Our EDD representatives will review your case and determine your eligibility for benefits. For fastest processing of your claim, [submit your claim online](#).
- If you believe you are misclassified as an independent contractor instead of an employee, you should list the business you contract with as your last employer. Be sure to include:
  - The employer name, phone number, and address.
  - Type of work performed.
  - Dates worked.
  - Your gross wages and how you were paid (such as hourly or weekly).
- You may also be eligible for benefits if you pay into Disability Insurance Elective Coverage (DIEC). DIEC is an option for self-employed people (such as independent contractors) and employers to apply for coverage under State Disability Insurance (SDI). This includes school district and state employees who are exempt from SDI, but can negotiate to participate in the DIEC. Visit [Self-Employed/Independent Contractor](#) to learn more.

# Unemployment Insurance Benefits-CA

## What benefits are available if I am subject to quarantine, am not ill, and am not found eligible for a Disability Insurance claim?

- You are encouraged to apply for Unemployment Insurance (UI) benefits if you are unemployed, which includes reasons such as:
- Your hours are reduced due to the quarantine.
- You were separated from your employer during the quarantine.
- You are subject to a quarantine required by a medical professional or state or local health officer.
- You can be eligible for benefits if you have enough earnings over the past 12-18 months and meet other [eligibility criteria](#). The [Governor's Executive Order](#) waives the one-week unpaid waiting period, so you can collect UI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.
- EDD representatives may need to set up a phone interview with you to collect more details.
- If you are temporarily out of work and plan to return to the same employer, you do not need to meet the usual requirement of looking for work while you are collecting unemployment benefits. The EDD will inform you if you are not required to look for work each week.
- If you are not connected to a certain employer with a job to return to, you are required to look for work while collecting benefits. Looking for work can be done from home including using online channels, mailing job applications, calling about job openings, registering in [CalJOBS<sup>SM</sup>](#) (the state's online labor exchange system), etc. The EDD will inform you if you are required to look for work each week.

# Unemployment Insurance Benefits-CA

## Can I file an Unemployment Insurance claim if I am self-employed, an independent contractor, or gig worker?

- If you are self-employed, an independent contractor, or gig worker and are unable to work or have had your hours reduced due to COVID-19, you may be eligible for Unemployment Insurance (UI) benefits under a few different scenarios:
- You chose to contribute to UI Elective Coverage and paid the required contributions to be considered potentially eligible for benefits.
- Your past employer made contributions on your behalf over the past 5 to 18 months.
- You may have been misclassified as an independent contractor instead of an employee.
- 
- When filing for your UI claim, you will be asked for your last employer.
- If you own your business or are self-employed, you should list yourself as your last employer.
- If you are an independent contractor, you should list yourself as your last employer.
- If you believe you are misclassified as an independent contractor instead of an employee, you should list the business you contract with as your last employer. Be sure to include:
  - The employer name, phone number, and address.
  - Type of work performed.
  - Dates worked.
  - Your gross wages and how you were paid (such as hourly or weekly).
- If you are a gig worker, you should list your gig employer as your last employer.

# Unemployment Insurance Benefits-CA

## **Would I qualify for benefits if my child's school shuts down and I have to miss work to care for that child who is not ill?**

- You may be eligible for unemployment benefits. Our EDD representatives will determine eligibility on a case-by-case basis by scheduling a phone interview with you. For example, you may be eligible for unemployment benefits if your employer has temporarily allowed you to work less than full-time hours due to your child care situation. In such case, you may be eligible for reduced benefits based on the amount of your weekly earnings, as long as you meet all other eligibility requirements. The EDD will contact you and your employer for information to determine your eligibility.

## **Can I collect benefits if my child's school shuts down and I have to stay home to care for my child if I'm not currently employed or I had to quit work because of my child care needs?**

- You may be eligible for unemployment benefits. Our EDD representatives will determine eligibility on a case-by-case basis by scheduling a phone interview with you.

## **Are benefits available if my employer reduces my hours or shuts down operations due to impacts of the coronavirus?**

- If your employer reduced your hours or shut down operations due to COVID-19, you are encouraged to [file an Unemployment Insurance \(UI\) claim](#). UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own. Workers who are temporarily unemployed due to COVID-19 and expected to return to work with their employer within a few weeks are not required to actively seek work each week. However, they must remain able, available, and ready to work during their unemployment for each week of benefits claimed and meet all other eligibility criteria.

# Unemployment Insurance Benefits-CA

## How much can I collect in benefits with an Unemployment Insurance (UI) claim?

- Eligible individuals can receive benefits that range from \$40-\$450 per week. Depending on your maximum award for your UI claim and your weekly benefit amounts paid, the number of weeks you can potentially receive benefit payments ranges from 13 to 26 weeks if you are paid at your full weekly benefit amount for each of those weeks. Your payments could stretch to a longer duration if you perform some work for pay or if you receive other deductible income during the course of a claim, and you receive reduced unemployment benefits as a result during those weeks.
- You can use the [Unemployment Insurance Calculator](#) to help estimate your potential weekly benefit amount.
- The [Governor's Executive Order](#) waives the one-week unpaid waiting period, so you can collect UI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

## Can I still collect unemployment benefits if I am able to work remotely from home?

- Working your full normal hours remotely would not qualify you for benefits. However, you could collect some Unemployment Insurance benefits if your usual number of work hours are reduced through no fault of your own. The first \$25 or 25 percent of your wages, whichever is the greater amount, is not counted as wages earned and will not be reduced from your UI weekly benefit amount. For example, if you earned \$100 in a week, the Department would not count \$25 as wages and would only deduct \$75 from your weekly benefit amount. For someone who has a weekly benefit amount of \$450, they would be paid a reduced amount of \$375.

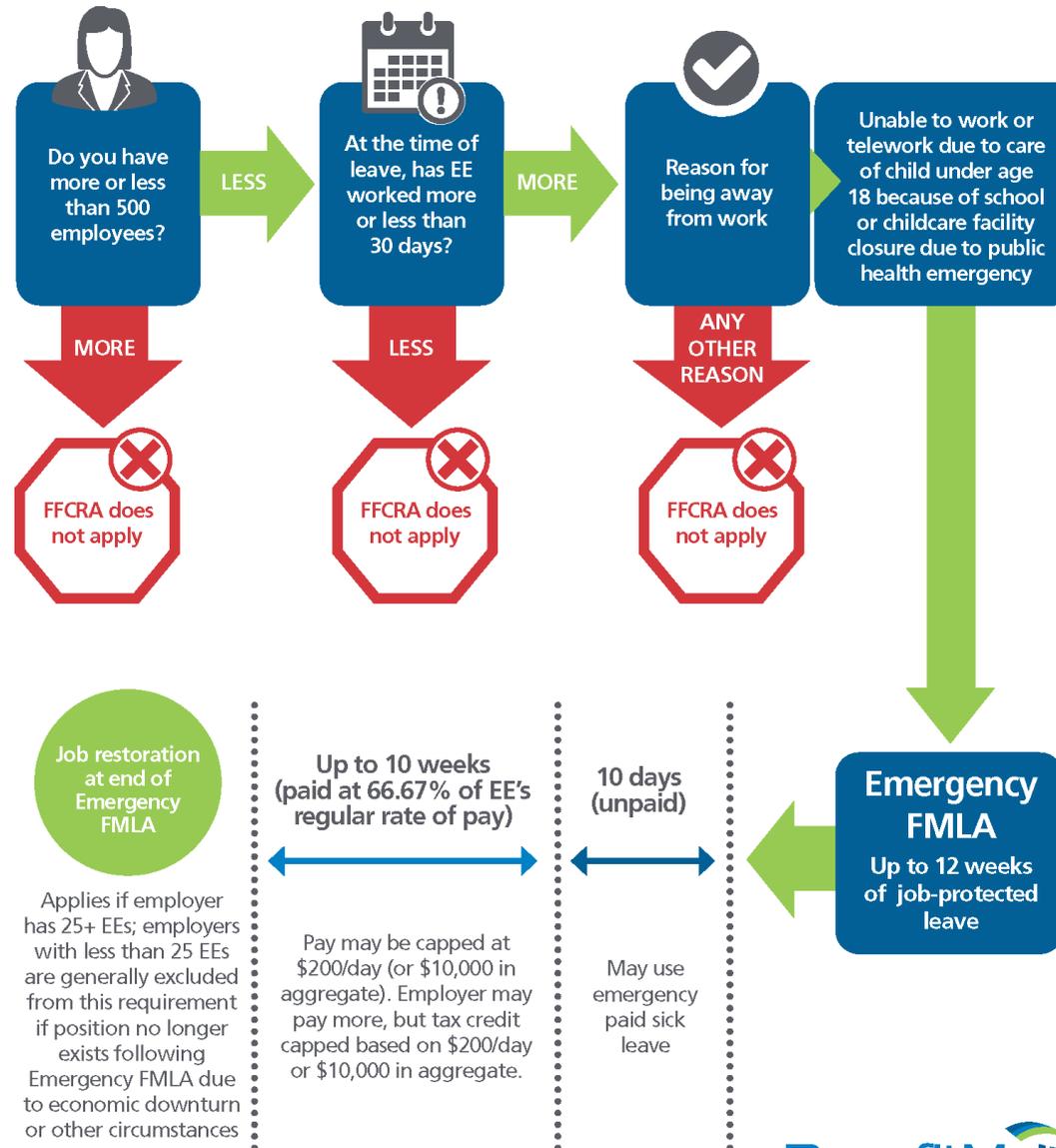
## Can I collect disability and unemployment benefits at the same time?

- You have the right to apply and file a claim for unemployment and disability benefits at the same time, but you can only collect payments under one benefit program at a time. You're encouraged to file a claim under one program based on your circumstances or file under both programs if you are unsure of which program is most appropriate. The EDD will review the facts and determine your eligibility for the appropriate program.

# Families First Coronavirus Response Act (FFCRA)

Effective April 1, 2020 – December 31, 2020

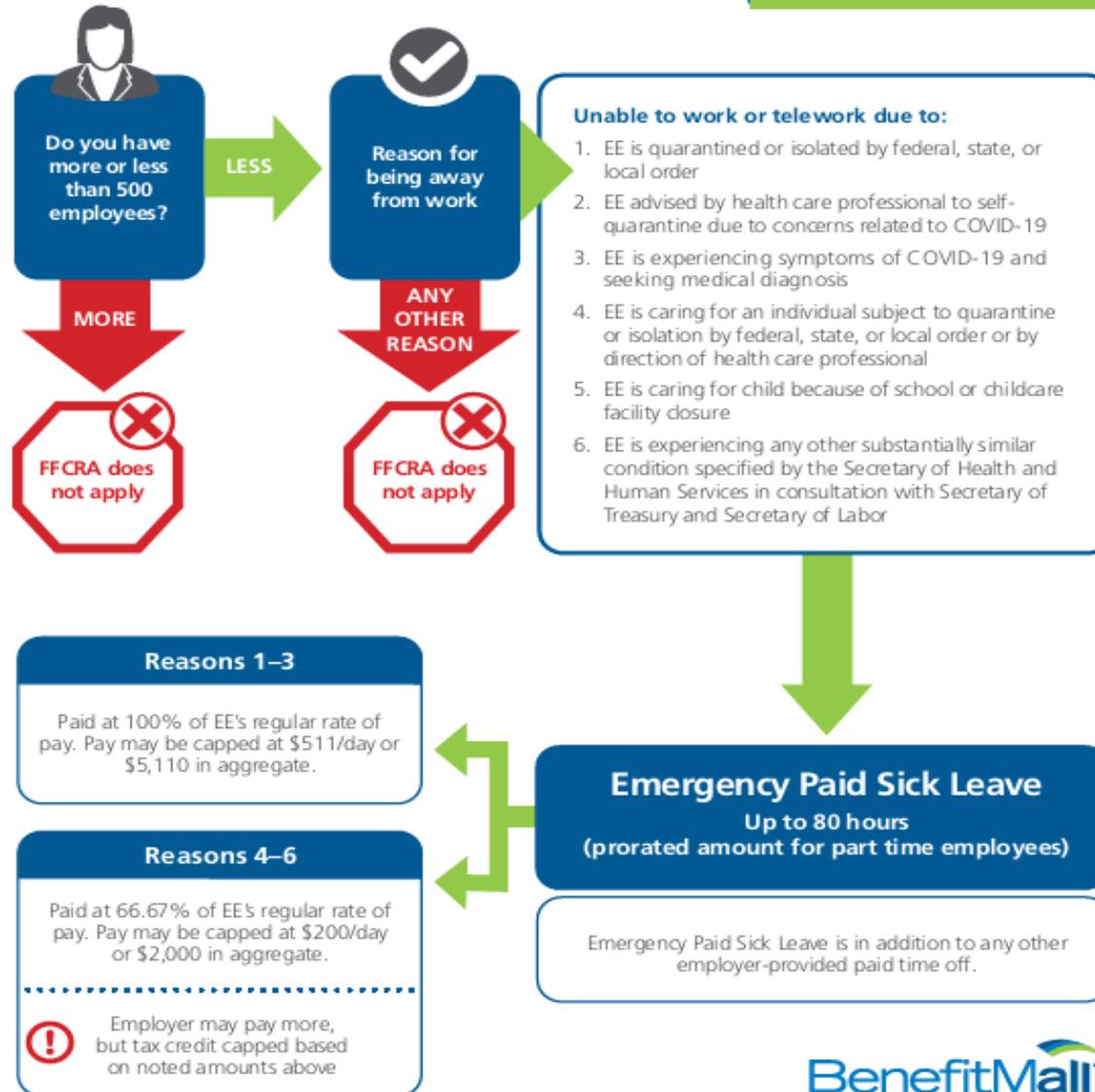
## EMERGENCY FMLA



# Families First Coronavirus Response Act (FFCRA)

Effective April 1, 2020 – December 31, 2020

## EMERGENCY PAID SICK LEAVE



# Tax Credits

- Employers will receive 100% reimbursement for paid leave.
- Health insurance costs are also included in the credit, if the employer keeps paying premiums.
- Employers face no payroll tax liability.
- Sick-leave and family-leave payments mandated by the Act are exempt from the 6.2% Social Security tax component of the employer's federal payroll tax that normally applies to wages. Employers must pay the 1.45% Medicare tax component of the federal payroll tax, but they can claim a credit for that outlay.

# The Coronavirus Aid, Relief, and Economic Security Act of 2020 (The CARES Act)

## Loan Information

# Paycheck Protection Program, Overview

Covered Loan Period	Retroactive to February 12, 2020 through June 30, 2020.
Eligible Business	<p>Small Businesses, nonprofits that:</p> <ul style="list-style-type: none"> <li>• have less than 500 employees or the applicable standard set by SBA or sole proprietors, self employed individuals or independent contractors that were in business on February 15, 2020.</li> <li>• Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.</li> <li>• Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.</li> <li>• Non-profits such as 501(c)(3) and 501(c)(19) with 500 employees or fewer employees are also eligible.</li> </ul>
Maximum Loan Amount	<p>The lesser of:</p> <ul style="list-style-type: none"> <li>• 2.5X average monthly payroll costs during the 1-year period before the date on which the loan is made <b>or</b></li> <li>• \$10 million</li> </ul> <p>*For new businesses, the measurement period is February 1, 2020</p> <ul style="list-style-type: none"> <li>• The amount any small business is eligible to borrow is 250 percent of their average monthly payroll expenses, up to a total of \$10 million. This amount is intended to cover 8 weeks of payroll expenses and any additional amounts for making payments towards debt obligations</li> </ul>
Guarantees	Increases the government guarantee of 7(a) loans to 100 percent through December 31, 2020.
Allowable Uses	<ul style="list-style-type: none"> <li>• Payroll costs</li> <li>• Health care benefits (including paid sick or medical leave and insurance premiums)</li> <li>• Mortgage interest obligations</li> <li>• Rent</li> <li>• Utility payments</li> <li>• Interest on other debt obligations incurred previous to February 15, 2020</li> </ul>
Eligible Leander's	SBA and Department of Treasury are granted authority to determine additional lenders to administer the payment protection program loans.
Interest Rate	Not to exceed 4% (percent) during the covered period.
Payment Deferral	Not less than 6 months and not more than 1 year (including payment of principal, interest and fees)

# Paycheck Protection Program, Overview

## Terms of Loan Forgiveness

- Loan recipients will be eligible for loan forgiveness for an 8-week period after the loans origination date in the amount equal to the sum of the following costs incurred during that period:
  - Payroll costs (compensation over \$100,00 excluded)
  - Payment of interest on mortgage obligation, rent obligations, utility payments.
- The amount forgiven cannot exceed the amount borrowed.
- The loan forgiveness will be proportionally reduced if the average number of employees is reduced during the covered period compared to the same period in 2019.
- The amount of loan forgiveness will be reduced by the amount of any reduction in total employee salary or wages during the covered period that is in excess of 25% (percent) of the total salary or wages.
- Payroll documentation and documentation of expenses are required to receive forgiveness, to ensure the forgiveness was used to retain employees and pay expenses. Borrowers that rehire laid-off workers by June 30 won't be penalized for having a smaller workforce at the beginning of the period.
- Borrowers with tipped workers may receive loan forgiveness for the additional wages paid those employees.
- Lenders have 60 days to issue a decision on the application.
- The cancelled loan amount will not count towards gross income for tax purposes.

## Waivers

- Borrow and lender fees are waived.
- Payments fees are waived.

## Borrower Requirements

- Good faith certification that the loan is necessary because of economic uncertainty caused by COVID-19 and will be applied to maintain payroll and make regular payments.
- Borrower also must certify that they are not receiving assistance and duplicative funds for the same uses from another SBA program. No collateral or personal guarantees are required.

# CARES Act

## Economic Injury Disaster Loan (EIDL)

- Small business owners in all U.S. states, Washington D.C., and territories are also eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- The Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.
- Applications for an EIDL can be found here <https://covid19relief.sba.gov/#/>

# CARES Act – Individual Payments

## How much should I expect?

- Payments are based on income (as indicated on tax forms you've submitted). **Individuals making under \$75,000 will receive \$1,200.** Couples making under \$150,000 who joint-filed will receive \$2,400. Those making \$112,500 or less who filed as “head of household” will also get the full \$1,200.
- Families will also receive an additional **\$500 per child.**
- If you made over \$75,000, you will receive less. For every \$100 on income beyond \$75,000, you will receive \$5 less in your check. Individuals making in excess of \$99,000 and couples making \$198,000 won't receive anything.

## When will I get the payment?

- The Treasury Department said money will be sent “within three weeks” for direct deposits, which would be a little before April 18. Paper checks could take much longer to be sent out.

# CARES Act – Individual Payments

## **Where will they send the money?**

- The Treasury Department will use information provided from your 2019 tax return (or 2018, if you haven't yet filed taxes this year).

## **How is it being sent?**

- The payments will be sent the same way you received your last tax refund. If that was a direct deposit, that will be the method. Otherwise, the IRS will mail a check to your last known address.

## **How many payments are there?**

- This bill only authorizes a one-time payment, but congressional leaders suggested the possibility of additional payments in another bill at a later date.
- I made over \$99,000 when I filed taxes, but I've since been laid off. Will I get a payment?
- Likely not, but you can apply for it when you file your 2020 tax return. The IRS is expected to create a way to handle these situations.

## **Will people on Social Security get a payment?**

- Yes, provided they received Form SSA-1099 in 2019.

## **Is the payment taxable?**

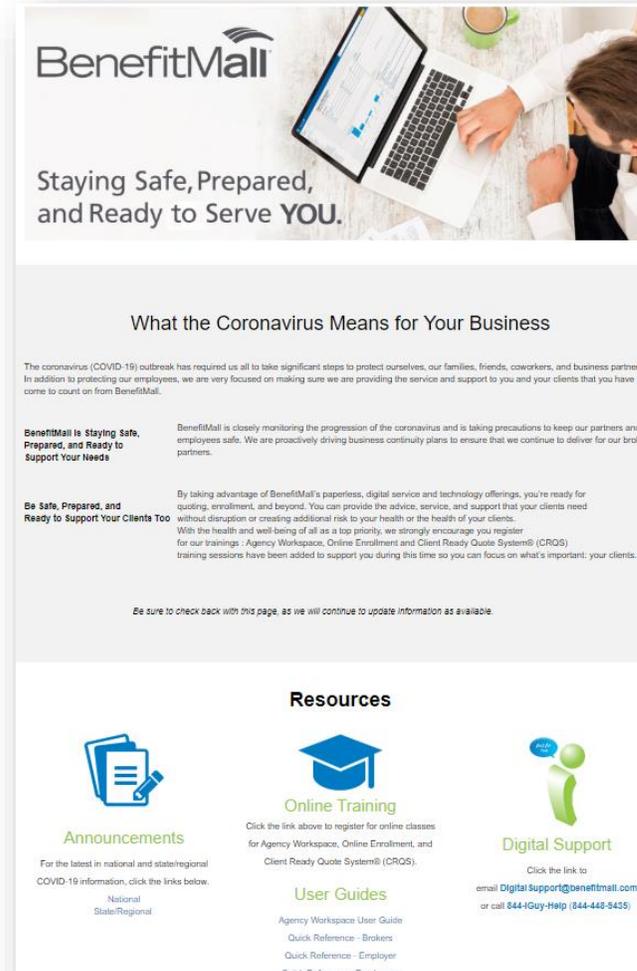
- No.

# Staying Safe, Prepared, and Ready to Serve You

## COVID-19 Resource Center

- BenefitMall Training
  - Agency Workspace
  - Client Ready Quote System
  - Online Enrollment
- Carrier Announcements
- National Resources
- FAQs
- Compliance Updates
- And more!

[www.benefitmall.com/covidresources](http://www.benefitmall.com/covidresources)



The graphic features a header with the BenefitMall logo and a photograph of a person working on a laptop. Below the header is a section titled "What the Coronavirus Means for Your Business" with several paragraphs of text. At the bottom, there are three columns of resources: "Announcements", "Online Training", and "Digital Support", each with an icon and a list of links.

**BenefitMall**

Staying Safe, Prepared, and Ready to Serve **YOU.**

### What the Coronavirus Means for Your Business

The coronavirus (COVID-19) outbreak has required us all to take significant steps to protect ourselves, our families, friends, coworkers, and business partners. In addition to protecting our employees, we are very focused on making sure we are providing the service and support to you and your clients that you have come to count on from BenefitMall.

**BenefitMall is Staying Safe, Prepared, and Ready to Support Your Needs**

BenefitMall is closely monitoring the progression of the coronavirus and is taking precautions to keep our partners and employees safe. We are proactively driving business continuity plans to ensure that we continue to deliver for our broker partners.

**Be Safe, Prepared, and Ready to Support Your Clients Too**

By taking advantage of BenefitMall's paperless, digital service and technology offerings, you're ready for quoting, enrollment, and beyond. You can provide the advice, service, and support that your clients need without disruption or creating additional risk to your health or the health of your clients.

With the health and well-being of all as a top priority, we strongly encourage you register for our trainings: Agency Workspace, Online Enrollment and Client Ready Quote System® (CROS). Training sessions have been added to support you during this time so you can focus on what's important: your clients.

*Be sure to check back with this page, as we will continue to update information as available.*

### Resources

**Announcements**

For the latest in national and state/regional COVID-19 information, click the links below.

National  
State/Regional

**Online Training**

Click the link above to register for online classes for Agency Workspace, Online Enrollment, and Client Ready Quote System® (CROS).

**User Guides**

Agency Workspace User Guide  
Quick Reference - Brokers  
Quick Reference - Employer  
Quick Reference - Employees

**Digital Support**

Click the link to email [DigitalSupport@benefitmall.com](mailto:DigitalSupport@benefitmall.com) or call 844-Guy-Help (844-448-5455).

# Questions?

1. You will receive a copy of this presentation.
2. We will answer your questions in a FAQ. We will send those to you, too.
3. This is being recorded, so if you want to listen again, or share with your colleagues, please do so.