



# NEW CORONAVIRUS RELIEF PACKAGE TO HELP AID AMERICANS AND BUSINESSES

Congress recently passed the “Families First Coronavirus Response Act,” bill, and the president signed it into law March 18, 2020, to help provide aid and tax credits to individuals and businesses impacted by the coronavirus.<sup>1</sup>

The following are highlights from the new law, proposed emergency funds, as well as information on federal tax deadline relief.

## Job-protected leave for individuals.

The expanded Family and Medical Leave Act (FMLA) provisions now in place gives individuals extended leave to deal with the coronavirus and will sunset on Dec. 31, 2020.<sup>2</sup> The new provisions allow for a maximum of 12 weeks of protected job leave for employees at companies with fewer than 500 employees who have worked for the employer for at least 30 days.<sup>2</sup> This leave includes self-quarantine and allows employees to care for an affected family member or child if the child’s school or childcare is closed.

## Sick pay for individuals.

Individuals will receive sick pay related to the coronavirus. However; the first 10 business days of this leave may be unpaid (employees may elect to take accrued personal time off or other leave during this period). The remaining 10 weeks of FMLA leave is required to be paid based on an amount not less than two-thirds of an employee’s regular rate of pay and the number of hours the employee would otherwise be normally scheduled to work. And if an employee has varied hours, then hours can be based on the average number of hours over the previous six months.<sup>2</sup>

## Individuals have an automatic, 90-day extension on filing and paying federal taxes.

Taxpayers now have an automatic, 90-day extension, or until July 15, 2020, to file and pay federal taxes.



Mariner Wealth Advisors will continue to monitor whether or not states will follow suit and will keep you updated.<sup>3</sup>

## Individuals may receive emergency funds.

As of this writing, the Treasury Department presented a proposal for \$500 billion in direct payments to Americans. The proposal recommends two payments in April and May for individuals, to be issued by the IRS and to be fixed and tiered based on income level and family size.<sup>4</sup>

## Tax credits for employers covering sick leave.

The bill provides for refundable tax credits to employers to cover wages paid to employees equal to 100% of qualified paid sick or family leave. The sick leave credit is for wages up to \$511 per day to employees who are sick or quarantined; a lesser credit of \$200 per day applies to amounts paid to employees caring for a family member or for a child whose school or place of care has been closed.<sup>2</sup>

These credits are only available to those employers that are required to offer these benefits under the bill, and these new credits are not generally extended to employers not subject to the new mandates under the bill. The law also provides an option for employers with fewer than 50 employees to be exempted if the requirement to provide paid sick leave or paid family leave would jeopardize the ongoing concern of the business.<sup>2</sup>

## Similar Tax credits for self-employed individuals.

Eligible, self-employed individuals (categorized in tax code 1402 for self-employed criteria) also qualify for a tax credit. It covers 100% of a self-employed individual's qualified sick-leave equivalent and 67% of the individual's qualified sick leave equivalent amount if they care for a family member or for a child whose school or place of care has been closed due to coronavirus.

This credit applies for as much as 50 days times the lesser of \$200, or 67% of their average self-employment income.<sup>5</sup> If you are self-employed, for details about this new provision, consult with your tax professional.

## Congress did not pass a payroll tax cut.

Although the president proposed it, as of this writing, a payroll tax cut is not in effect.

## Consult With Your Advisor and Tax Professional

For questions about how this new legislation might affect your tax picture, please reach out to your advisor who can collaborate with our in-house tax team or your tax contact at Mariner Wealth Advisors to help ensure your financial and tax strategies are integrated. We're here to help you navigate your financial future.

<sup>1</sup>“[Updated: Trump Signs Coronavirus Relief Package](#),” forbes.com.

<sup>2</sup>“[Senate Approves Paid Sick Leave](#),” littler.com

<sup>3</sup>“[Treasury and IRS to Delay Tax Payment Deadline by 90 Days](#),” cnbc.com.

<sup>4</sup>“[Department of Treasury Stage Three Proposal](#),” washingtonpost.com

<sup>5</sup>“[Coronavirus: House Passes Emergency Coronavirus Response Bill](#),” The National Law Review.

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