

## FAQs: HR / Unemployment for Individuals & Small Business

#	Question	Answer
1.	<b>What is FFCRA and how does it impact businesses?</b>	FFCRA stands for Families First Coronavirus Response Act and is requiring private businesses with less than 500 employees to provide paid leave to its employees for qualifying reasons. The law is effective through Dec 31 <sup>st</sup> , 2020
2.	<b>What are the employees of covered employers (FFCRA) eligible for and what are the qualifying reasons?</b>	<ul style="list-style-type: none"> <li>· 2 weeks of paid sick leave (up to 80 hours) at regular rate where employee is unable to work, because the employee is quarantined and/or experiencing COVID-19 symptoms and seeking a medical diagnosis (Max of \$511 per day - No limitation on tenure of employee)</li> <li>· 2 weeks of paid sick leave (up to 80 hours) at two-thirds the employee's regular rate where employee is unable to work, because of the need to care for an individual subject to quarantine or to care for a child whose school or child care provider is closed related to COVID-19 (Max of \$200 per day - No limitation on tenure of employee)</li> <li>· 10 weeks of additional paid expanded family and medical leave at two-thirds the employee's regular rate where employee (employed for at least 30 days) is unable to work to care for a child whose school or child care provider is closed related to COVID-19 (Max of \$200 per day - First 10 days are unpaid)</li> </ul>
3.	<b>Are there any exemptions for small businesses under FFCRA?</b>	Small businesses are not exempted from granting two-week leave for self-care and care for others; however, if an employer has less than 50 employees it may be exempted from school closure-related leave if the employer can show granting the leave would jeopardize the business. (Financial obligations exceed revenue, absence of employee puts the business at risk and lack of qualified individuals to support the business)
4.	<b>Will employers paying for these benefits be reimbursed?</b>	Under FFCRA, 100% of paid sick leave benefits paid by employers are reimbursable as tax credit. IRS will issue a check within 2 weeks to employers whose tax liability is less than what it paid out in leave benefits. For funding issues, employers can explore SBA loan programs

5	<b>Are there any leave benefits through FFCRA for employees working for employers with more than 500 employees?</b>	As of now, there is no specific leave benefit for such employees except what is covered under FMLA/ADA
6	<b>Can I avail the benefits under FFCRA if an employer shuts down businesses or furloughs employees?</b>	For anyone to avail benefits under FFCRA, they need to be on active employment status. Employees furloughed or no longer active cannot avail these benefits.
7	<b>Is my job protected when I come back from paid sick leave under FFCRA?</b>	There is full job protection if paid sick leave is for self-care/care for others except if the business shuts down. If leave is for school closure, employers with less than 25 employees may refuse to restore you to the same or similar position if the position no longer exists.
8	<b>In what situations can one be eligible for unemployment insurance?</b>	<ul style="list-style-type: none"> <li>· An employee is terminated through no fault of their own</li> <li>· Reduction in employee's working hours (Partial unemployment)</li> <li>· An employee is furloughed (Employment is on hold)</li> </ul> <p>*Business owners that have stopped their operations can also file for unemployment</p>
9	<b>What is the process for unemployment?</b>	An individual must visit the state unemployment agency's website and file online. Since unemployment is filed at the state level, it is different for different states. Refer to AKEPB webpage for state specific information ( <a href="https://ismailichamber.org/ERG">https://ismailichamber.org/ERG</a> )

10	<b>What information do we need to have to file for unemployment?</b>	<ul style="list-style-type: none"> <li>· Last employer's business name and address</li> <li>· First and last dates (month, day and year) of employment</li> <li>· Recent wages (W2 income or 1099 income from previous &amp; current year)</li> <li>· Alien Registration Number (if not a U.S. citizen or national)</li> </ul> <p>Green Card holders are eligible to apply, however, we recommend seeing advice from an immigration attorney before filing for unemployment</p>
11	<b>How long will it take to receive unemployment benefits in the current scenario?</b>	<p>If approved, you will receive the unemployment benefits 4-5 weeks from the start of the process (Filed for unemployment and approved)</p>
12	<b>How much unemployment can one expect to receive?</b>	<p>Unemployment earnings are based on an individual's earnings from the previous 4 quarters (have caps) and may vary by state. The CARES act adds \$600 per week (will last for 4 months) from the federal government in addition to an amount an individual receives from the state. (Only for those that qualify under the state rules) Since unemployment payments are taxable, you have a choice to withhold taxes or pay when you are filing your tax returns. You can appeal the decision if the state rejects your unemployment claim.</p>
13	<b>Are independent contractors or freelancers (individuals that get 1099 and not W-2) eligible for unemployment benefits?</b>	<p>Individual contractors (who are self-employed) are not generally eligible for unemployment; however, CARES act creates a temporary Pandemic Unemployment Assistance Program through the end of year which may make individuals in this category eligible for the unemployment benefits. We are waiting to uncover the process. AEKPB will provide guidance when available.</p>

14	<p><b>Can I make withdrawals from defined contribution plans such as 401(k), Profit Sharing, 403(b), IRA without penalty?</b></p>	<p>Under the CARES act, the plan may permit all participants to withdraw up to \$100,000 from their account until Dec 31<sup>st</sup>, 2020 without incurring 10% penalty tax. Contributions such as 401(k) made on a pre-tax basis will be taxable. The amount, however, can be spread over three-tax years for income recognition purposes.</p>
15	<p><b>Are there any changes in 401(k) loans under CARES act?</b></p>	<p>Plan participants, for a limited time, can borrow from their account up to the lesser of \$100,000 or 100% of their account balance (an increase from the lesser of \$50,000 or 50% of their account balance). Loan repayments are delayed for participants with an outstanding loan as of March 27<sup>th</sup>, 2020. (and for any new loans made through year-end 2020) It is not mandatory for plan sponsors to adopt these provisions. (Speak with your plan administrator/HR for details)</p>
16	<p><b>Are there any suggestions for employees currently working to prepare themselves for unforeseen situations with their current employment?</b></p>	<ul style="list-style-type: none"> <li>· Network inside and outside the organization to explore opportunities</li> <li>· Show up as your best self every day (Positive attitude, proactive, take on additional responsibilities)</li> <li>· Develop a growth mindset and Upskill or reskill yourself</li> </ul>
17	<p><b>As an employer, will my unemployment insurance rate go up if my employee takes unemployment benefits</b></p>	<p>As an employer, if you furlough or reduce hours of your employees, and they choose to claim unemployment insurance, your unemployment rate will not go up.</p> <p>Important to note, in this environment, it is important that employers treat their employees with dignity and respect. Employers should understand what their obligations are and how to treat their employees in a fair and equitable manner.</p>