FREQUENTLY ASKED QUESTIONS

For Employers

The response to the COVID-19 pandemic is continually changing. The following information has been updated to the best of our abilities—please check original sources as information may have changed. Greater Dubuque Development provides daily updates to our website at greaterdubuque.org/covid19

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HEALTH & SAFETY

How do we prepare our environment for COVID-19?

Several resources exist to assist employers in conforming to best practices related a safe and healthy work environment, before, during and after an outbreak. Review these resources for the latest information and check back often for updates.

- Iowa Department of Public Health - Guidance for Businesses Experiencing Outbreaks Among Employees
- Centers for Disease Control - Implementing Safety Practices for Critical Infrastructure Workers
- Centers for Disease Control - Interim Guidance for Businesses and Employers
- Centers for Disease Control - Cleaning and Disinfecting Your Facility
- Centers for Disease Control - Prepare your Small Business and Employees for the Effects of COVID-19
- OSHA - Guidance on Preparing Workplaces for COVID-19

I am a manufacturing business that is considered essential. Are there manufacturing-specific guidelines available to maintain a safe environment?

The Center for Industrial Research and Service (CIRAS) at Iowa State University is providing educational guides and direct support to help plan, prepare, protect, and recover manufacturing operations. CIRAS can provide no-cost assistance to help you understand your next steps. CIRAS has produced materials in alignment with CDC and IDPH recommendations that relate to supply chain disruptions, PPE Resources, and protecting your business. www.ciras.iastate.edu/covid-19

My employees need to show a doctor’s note to take sick leave. Is that still ok?

The CDC has recommended employers to “Implement flexible sick leave and supportive policies and practices.” This includes not requiring a positive COVID-19 test result or a healthcare provider’s note for employees who are sick to validate their illness, qualify for sick leave, or to return to work. Healthcare provider offices and medical facilities may be extremely busy and not able to provide such documentation in a timely manner. This has been reiterated by our own County Public Health Office. However, if your employee qualifies for Emergency Sick Leave under FFCRA, you will need medical documentation if they are sick related to COVID-19 or advised to self quarantine.
EMERGENCY FUNDING

I need a small amount of emergency funding fast, what are my options?
The Small Business Administration’s Economic Injury Disaster Loan (EIDL) can provide a $10,000 advance; even if an employer rejects or is denied a loan under the program; this can also be rolled into the Paycheck Protection Program (PPP) once applied for. Learn more about the advance. April 16, 2020: SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding. Check the site often for updates.

I need capital to cover the cost of retaining my employees.
The Small Business Administration's Paycheck Protection Program (PPP) is a loan designed to help you keep your staff on payroll. Learn more and apply for PPP.

I am concerned about my current Small Business Administration Loan Payments.
The Small Business Debt Relief program provides relief to loans—SBA will cover all loan payments on 7(a), 504, and microloans for 6 months. Learn more.

Is there flexibility with the 500 employee limit for the Paycheck Protection Program?
Maybe. Review the standard Small Business Administration definitions for small businesses to see if your business qualifies.

I have over 500 employees and am not eligible for the Paycheck Protection Program.
What can I do?
The Main Street New Loan Facility program may be a good fit for businesses with more than 500 employees. The Federal Reserve established the Main Street Lending Program to enhance support for small- and mid-sized businesses that were in good financial standing before the crisis by offering four-year loans to companies employing up to 10,000 workers or with revenues of less than $2.5 billion. Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. Banks will retain a 5 percent share, selling the remaining 95 percent to the Main Street facility, which will purchase up to $600 billion of loans. Firms seeking Main Street loans must commit to make reasonable efforts to maintain payroll and retain workers. Borrowers must also follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act. Firms that have taken advantage of the PPP may also take out Main Street loans. Learn more.

Is the Paycheck Protection Program viable for seasonal employees?
It depends. Re-hiring must occur by June 30, 2020 so if seasonal employees are kept on the payroll or rehired by June 30, then yes. If the season does not occur during that time frame, the loan may not be forgiven; 75% must be spent on payroll for forgiveness. See the PPP FAQ #9 and #14 on seasonal workers

Can you submit an SBA loan application with a future issuance date?
It doesn’t appear so. According to FAQ #20: “The amount of forgiveness of a PPP loan depends on the borrower’s payroll costs over an eight-week period; when does that eight-week period begin? Answer: The eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower. The lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval.”
What if I am funded for the Paycheck Protection Program (PPP) and my employees are on unemployment?

The PPP provides a loan to businesses with fewer than 500 employees to keep their workers on the payroll. The Small Business Administration will forgive these loans if all employees are kept on the payroll for eight weeks and the loan is used for payroll, rent, mortgage interest, or utilities. 75% must be used for payroll expenses. Employees of businesses that take advantage of the PPP who are recalled to work (or are being paid full-time pay and benefits) are not eligible for unemployment benefits, and if they have a current claim, they should update their claim appropriately to reflect the day they were no longer eligible for unemployment benefits.

What are affiliation rules related to the Paycheck Protection Program?

Four tests for affiliation, based on control, apply to participants in the PPP. For purposes of the determining the number of employees of an applicant to the PPP, the applicant is considered together with its affiliates.
- Affiliation based on ownership
- Affiliation arising under stock options, convertible securities, and agreements to merge
- Affiliation based on management
- Affiliation based on identity of interest

Read the full description from the Treasury Department.

What do I need to know about applying for both the Economic Injury Disaster Loan and the Paycheck Protection Program?

You may apply for both if they are applied for different purposes. Review a short summary to learn more.
- A side-by-side comparison is also available from the Small Business Administration

Is there a FAQ on the Paycheck Protection Program?

Yes. The FAQs occasionally have updates. Ensure you are reading the latest version posted on the Treasury Department website or see greaterdubuque.org/covid19 for daily updates.

UNEMPLOYMENT

Work has slowed down. Is there an alternative to avoid layoffs?

Employers considering a slowdown who want to conserve their workforce and ensure they are able to work when the economy picks back up, can avoid layoffs through the Voluntary Shared Worker Program.
- FAQs provided by Iowa Workforce Development

If my business was required to close, what order do employees use leave?

Employees can choose to use PTO or other leave if your policy allows that, but they don’t have to. They can file an unemployment claim right away and be eligible. If this is not permanent, they may prefer to have PTO available when they return to work. No set rule.

Can business owners apply for unemployment?

Yes; sole proprietors, self-employed, and non-profits qualify under the CARES Act; other business owners who pay into unemployment system and count themselves on the payroll are also eligible for state unemployment.
If an employer lays off workers, but then needs to rehire someone for different duties, do they have to offer this position to a laid off employee?
It's up to the employer to bring an employee back or hire someone else for available work; If an employer offers the laid-off employee a different type of job, it is up to the employee if they choose to accept that new job, or still receive unemployment for the previous lost job.

Can a worker file for unemployment if they haven’t been formally laid off?
Yes, they can file for partial unemployment for reduced hours; CARES Act unemployment also applies in this circumstance.

Can employees on two-week quarantine claim unemployment?
Prior to April 1, 2020: yes. After April 1, 2020 they would use FFCRA emergency sick leave; if they are laid off during the leave period, they can collect unemployment.
• Department of Labor FFCRA leave guidance
• Department of Labor FFCRA FAQs

If you force someone to go home due to suspicion of symptoms, are you paying them?
Yes, under FFCRA they would then receive emergency sick leave.

Is there a way for employers to know how much unemployment an employee will receive?
No—the claimant can contact Iowa Workforce Development, and they can look it up to give them a general idea. If you have questions about your claim, call 1-866-239-0843, or email uiclaimshelp@iwd.iowa.gov.

Can I apply for unemployment and EIDL and PPP?
Yes, they aren’t mutually exclusive. But you can’t use PPP to pay yourself as business owner if you are collecting unemployment, and you can’t use EIDL and PPP for same purpose.

How does the CARES Act create new unemployment insurance benefits?
To assist employers and employees seeking information about state and federal unemployment claims, Iowa Workforce Development has expanded their website to include specific information on expanded unemployment benefits available through the federal CARES Act legislation.
• This includes Pandemic Unemployment Assistance (PUA) for those not typically eligible for benefits, including Individuals who are self-employed, independent contract workers, nonprofit employees, gig economy workers and those without a sufficient work history;
• Pandemic Emergency Unemployment Compensation (PEUC) for those who have exhausted state benefits;
• Federal Pandemic Unemployment Compensation (FPUC) program, providing an additional $600 payment per week for all those who qualify for new or existing unemployment benefits through July 25.

How do you apply for CARES Act unemployment?
There is one claim through Iowa Workforce Development—CARES Act benefits will be processed through this filing as well as eligible state unemployment.

Employees staying home due to fear of COVID-19 risk—how would this impact the employee’s employment status if this leave is not approved by the employer?
Every employer will have to make their own decision on whether they have work for employees or not and what they will do if people aren’t wanting to work. This may count as a voluntary quit because the employee is self-imposing a quarantine without medical reason directed by healthcare professional.
I have an employee refusing to return to work. What should I do?
If you have offered work to employees and your employee refuses to return to work, you must notify Iowa Workforce Development here www.iowaworkforcedevelopment.gov/job-offer-decline-form-employers

Where can someone access legal advice?
A COVID-19 legal information hotline has been launched through a partnership between Iowa Legal Aid, the Iowa State Bar Association, and the Polk County Volunteer Lawyer Project. 1-800-332-0419

Does everyone getting unemployment get the additional $600?
Yes, if you are getting only $1, you will still get the $600 per week under the expanded unemployment.

I got a notice with my benefit amount but it doesn’t mention the $600 per week? Why?
The $600 is coming from the Federal Government not the state unemployment insurance program. You will likely not be notified about the $600, it should be deposited at the same time as the unemployment but the state UI is not depositing or managing those funds.

FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA)
What does Families First Coronavirus Response Act mean?
The Families First Coronavirus Response Act (FFCRA) requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor’s Wage and Hour Division administers and enforces the new law’s paid leave requirements. These provisions will apply from the effective date through December 31, 2020. Employees on COVID-19 related absence may qualify for 2 weeks of emergency sick leave and 10 weeks of emergency FMLA depending on the reasons they are taking leave.

What qualifies for FFCRA Sick Leave and expanded family and medical leave?
Generally, the Act provides that employees of covered employers are eligible for:
- Two weeks (up to 80 hours) of paid sick leave at the employee's regular rate of pay where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor; and
- Up to an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee's regular rate of pay where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.
- Department of Labor FFCRA leave guidance

Do I have to comply for FFCRA leave and FMLA?
Yes, if you have less than 500 employees and do not have a hardship waiver documented. The FFCRA's paid leave provisions are effective on April 1, 2020, and apply to leave taken between April 1, 2020, and December 31, 2020.
How do I get an exemption for the FFCRA leave if I am a small business with less than 50 employees?

An employer, including a religious or nonprofit organization, with fewer than 50 employees is exempt from providing (a) paid sick leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons and (b) expanded family and medical leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons when doing so would jeopardize the viability of the small business as a going concern.

To elect this small business exemption, you should document why your business with fewer than 50 employees meets this criteria. You should not send any materials to the Department of Labor when seeking a small business exemption for paid sick leave and expanded family and medical leave.

- See questions 4, 58, and 59 on Department of Labor FAQ

Does FFCRA regulations apply to employees who are sick for non-COVID-19 reasons, i.e. paternity or maternity leave, other illness, taking care of family member with non COVID-19 illness?

No, employees with other leave needs should follow existing employer leave policies. FFCRA only applies to COVID-19 related reasons.

What documents do employees need to document leave for tax credit purposes under FFCRA?

See Internal Revenue Service information for documenting FFCRA for tax credits. Generally, an Eligible Employer will substantiate eligibility for the sick leave or family leave credits if the employer receives a written request for such leave from the employee in which the employee provides:

1. The employee's name;
2. The date or dates for which leave is requested;
3. A statement of the COVID-19 related reason the employee is requesting leave and written support for the reason; and
4. A statement that the employee is unable to work, including by means of telework, for such reason.

- In the case of a leave request based on a quarantine order or self-quarantine advice, the statement from the employee should include the name of the governmental entity ordering quarantine or the name of the health care professional advising self-quarantine, and, if the person subject to quarantine or advised to self-quarantine is not the employee, that person's name and relation to the employee.
- In the case of a leave request based on a school closing or child care provider unavailability, the statement from the employee should include the name and age of the child (or children) to be cared for, the name of the school that has closed or place of care that is unavailable, and a representation that no other person will be providing care for the child during the period for which the employee is receiving family medical leave and, with respect to the employee's inability to work or telework because of a need to provide care for a child older than fourteen during daylight hours, a statement that special circumstances exist requiring the employee to provide care.

If an employee is advised to stay home, do I have to pay them leave if they prefer to collect unemployment?

Yes, you have to comply with FFCRA and provide them sick leave if you have work available for them. This is not PTO, this is FFCRA emergency sick leave.

What if my employees’ hours vary each week? How do I calculate FFCRA leave wages?

Average hours worked over 6 months, or expected to do over next two weeks, or what you anticipated for hours when you hired them. (Question 5 on Department of Labor FAQ)
I don’t offer a PTO plan currently, do I have to provide two weeks under FFCRA?
Yes. See the Department of Labor FAQs for amount of leave and wages employees are entitled to depending on one or more eligible reasons.

What if their child is sick (not tested for COVID-19) and the employee stays home with them—does that fall under paid leave?
Yes, if the employee is required to be home to care for someone who is self-isolated (under care of health provider); the employee qualifies for emergency sick leave if they are unable to work or telework while providing this care.

Do I have to offer FFCRA leave if I am closed?
No, it only applies if you have work for your employee either on site or by telework and they are unable to work because of an eligible reason. Furloughed or laid off employees do not qualify and should apply for unemployment. (Questions 23, 25, and 26 on Department of Labor FAQ)

TAX INFORMATION

What tax provisions are available to businesses?
1. Employee Retention Credit: This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis. The credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020
2. Delay of Payment of Employer Payroll Taxes: This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. The deferral is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020

Unemployment: Iowa Workforce Development www.iowaworkforcedevelopment.gov/COVID-19
Small Business Helpline (facilitated by Northeast Iowa Community College)
563-588-3350 Monday - Friday 8:30 a.m. - 4:00 p.m. or sbhelpline@nicc.edu

More COVID-19 Resources: www.greaterdubuque.org/covid19