



**QUESTION: If an employee wants to self isolate due to them being a high-risk citizen, can they receive any relief? OR What if the employee has been in contact with a person who tested positive? Can they self quarantine and be paid or must they have a doctor's note? OR If an employee's family member who resides with the employee has exhibited symptoms but the employee has not...would the employee in this case qualify for emergency sick leave under FFCRA? Would it make a difference whether that family member had been tested for COVID-19?**

**ANSWER:** They can only get benefits for a qualifying reason as defined in the Act. SEE DOL Guidance [Number 7](#). You should also consider if this employee is otherwise entitled to an accommodation under the ADA or an equivalent state law. You have to perform this full legal assessment to make an informed decision.

**QUESTION: We have an employee that doesn't want to be at work during the pandemic. They have been asked to be furloughed. Are we allow to lay that person off so they can collect unemployment benefits? Our business is still open and listed as an essential business by our governor. That employee isn't sick and has no one in his family who is sick. He simply is worried about getting the virus and doesn't want to be here.**

**ANSWER:** The employee must have a qualifying reason for leave to be entitled to paid leave under both the Emergency Paid Sick Time and expanded FMLA provisions provided within the FFCRA. That said, you need to perform a full assessment to determine if the employee otherwise entitled to an accommodation under the ADA or an equivalent state law. A reasonable accommodation under state or federal law may, in fact, be unpaid leave if it would not cause an undue burden on the employer.

**QUESTION: We have an employee that is in self quarantine due to his age and health issues. He is worried about catching the virus. Since 3/16 we have been paying him sick leave and now vacation time. He has a week left and he will be out. Should he go out on FMLA? We have been paying his full salary.**

**ANSWER:** The employee must have a qualifying reason for leave to be entitled to paid leave under both the Emergency Paid Sick Time and expanded FMLA provisions provided within the FFCRA. That said, you need to perform a full assessment to determine if the employee otherwise entitled to an accommodation under the ADA or FMLA an equivalent state law. A reasonable accommodation under state or federal law may, in fact, be unpaid leave if it would not cause an undue burden on the employer. Further, if your dealership falls within FMLA normally, this could be a qualifying reason for leave in the traditional sense even if it does not fall within the purview of the expanded FMLA and its paid leave provisions.

**QUESTION: We have employees who ARE eligible for the paid sick leave, so we know we have to handle those accordingly. These employees have weekly payroll deductions for their portion of health insurance premiums and other insurance options, so can we file a claim on our Form 941 payroll tax returns for those insurance premiums for which employees are responsible? Or, do we have to collect those premiums directly from our employees?**

**ANSWER:** The amount of qualified health plan expenses taken into account in determining the credits generally includes both the portion of the cost paid by the Eligible Employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, the qualified health plan expenses should not include amounts that the employee paid for with after-tax contributions.

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**QUESTION: If an employer has people working from home who are being paid regular pay are they eligible for the Payroll Tax Credit?**

**ANSWER:** No - if employee has ability to telework and you are paying them that's just ordinary work. If you don't get a PPP loan, there are things to help with cash flow like deferring SS taxes and the employee retention credit if you meet eligibility for those credits.

**QUESTION: To get to the total number of employees--how do you count part time employees?**

**ANSWER:** Part and full time employees may be entitled to some benefits. You should consult the [DOL guidance](#) for full details.

**QUESTION: Is caring for a grandparent included for the 2/3 pay?**

**ANSWER:** It depends. The care must be for an individual, "who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or an individual who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19." See [DOL guidance](#).

**QUESTION: We have an employee with 3 kids aged 8,10,14 who is asking if she qualifies for 12 week expanded leave. Kids are out of school, and typically don't go to child care when not in school. Is she eligible?**

**ANSWER:** It depends. Is she "caring for your child whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reason." See [DOL guidance](#).

**QUESTION: If an employee was tested and quarantined by a doctor for 9 days prior to the April 1 date are they due sick pay for the whole time or does that rule start on April 1?**

**ANSWER:** Just for the time after April 1. The DOL Guidance is explicit that the benefits under the FFCRA are not retroactive.

**QUESTION: If you take the CARES Act Loan can you apply for the Tax Credit on the 941 for employees who take the 80 hours additional sick leave?**

**ANSWER:** Obtaining a Paycheck Protection Program loan will not impact an employer's ability to claim tax credits for qualifying paid sick leave or qualifying paid family leave under the FFCRA. However, since the FFCRA pay is fully refundable through tax credits, the amounts will not be included in the calculation of wages paid when applying for any forgiveness in the PPP Loan. This prevents businesses from double dipping and being refunded twice on the wages.

**QUESTION: Does the employee have to "ask" for the leave? We are small dealership and my guys just assume they work unless I say stay home. Which we did tell them to stay home for 2 weeks through April 6 and we would pay them as normal work week.**

**ANSWER:** The [DOL guidance](#) specifically addresses the employee's obligations. You should review the full guidance I linked in the slides, specifically numbers 15-16. You should educate your employees so they know what process to follow.



# FFCRA & CARES ACT Q&A



**QUESTION: Since ag dealerships are considered essential - and we are still open for business - are we still eligible for the loans available?**

**ANSWER:** Yes - as long as you can attest that you have a need for the loan and the current economic conditions "necessitate" you obtaining it. For the PPP loan, you are not required to search for financing elsewhere first.

**QUESTION: What is the site to check if your supplier is listed on the franchise list?**

**ANSWER:** <https://www.sba.gov/document/support--sba-franchise-directory>

**QUESTION: Will there be any federal income tax due on the PPP loan?**

**ANSWER:** No for Federal Income purposes. It's unclear how various states will interpret the loan forgiveness at this time.

**QUESTION: What is the franchise requirement for the PPP? What if we have multiple entities?**

**ANSWER:** There are conflicting view points on eligibility for the PPP loan. Some experts are stating that if you operate a franchise, you'll need to have the Franchise Identifier Code just like any traditional SBA loan outside the stimulus package. Others are stating the eligibility is that you were in business as of 2/15 and paid at least two employees and/or 1099 contracts as of that time and that you have under 500 employees. One thing is for certain is that if you have over 500 employees in varying entities that are commonly controlled, having the Franchise Identifier Code and working with a manufacturer on the approved SBA listing should allow you to meet the exemptions requirements from the affiliation rules. If the legal entity has over 500 employees, you won't be eligible for the PPP loan.

There is no published guidance on when there are multiple New Equipment lines carried by the dealership. That will be up to the bank to interpret and we are not recommending that you don't attempt to apply with the bank because the franchises are not on the listing.

**QUESTION: When figuring loan amount of 2.5 x average monthly payroll is that gross or net pay?**

**ANSWER:** Payroll costs in the current guidance include:

Wages, salaries, tips, commissions (include performance pay) which are capped at \$100K for an individual (i.e. if someone made \$150,000 you only get credit for \$100,000 in the calculation), Paid Leave, Group Health Benefits paid by Employer, Retirement Benefits paid by Employer & State and Local Payroll Taxes

Payroll costs do not include federal payroll taxes (FICA), pay made in accordance with the FFCRA act we covered in webinar, pay to non-US residents, and compensation over \$100,000.

**QUESTION: Are there any deadline dates to pay attention to?**

**ANSWER:** The deadline to pay federal income taxes has been extended to 7/15/2020. Some other taxes like gift, estate etc. have now also been extended. Payroll taxes continue to be due in accordance with your normal payment schedule for Federal. Many states and localities have extended their filing dates to provide taxpayers additional time to file. There is no set answer unfortunately. It depends on the type of tax and federal v. state. Please reach out to your CPA or us with a more specific type of tax and we can better answer the question.

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# FFCRA & CARES ACT Q&A



**QUESTION: Since so much of this information is new and still changing, when do you recommend we apply? Should we wait a couple weeks or is it better to apply early?**

**ANSWER:** No- be ready to apply immediately for the PPP loan if you have an economic need for it. That is a requirement to apply so if you do not

**QUESTION: Do you know what documents will be required to be submitted with the application for the Paycheck Protection Program?**

**ANSWER:** Rely on guidance from the bank that you will be submitting your application through. However, most banks are asking you to start pulling together 2019 941's and 940 or 944, support wages paid in 2019 and 2020 through your most recent payroll run, support for utilities, leases, employer health plan costs, and retirement plan contributions. The banks are still getting guidance today on Thursday 4/2 on how they will be issuing these loans and what documents they need to collect to make calculations.

**QUESTION: Can you explain the issue of "forgiveness"?**

**ANSWER:** The intent of the program is to help businesses retain or rehire employees. The goal of the program is for you to use 75% of the funds on payroll related expenses. The other 25% can be used on the expenses we covered in the webinar.

The forgiveness calculation is changing rapidly but as of right now we know it will include a reduction for:

- Decreases in Headcount
- Decreases in Wages Paid to Employees making under \$100,000

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