



Q&A from COVID-19 Legislative Update – Week 2

1. Please walk me through the series of events for employees sent home due to County Ordinance - Employee PTO, then paid 2 weeks at 100%, then 10 weeks at 2/3. Correct?

- a. This is referring to the Family & Medical Leave. The answer depends on why the employees were sent home. If they were sick, then they may be eligible for paid leave. If they were sent home because there was no work, then paid leave doesn't apply. They would fall into that category of either continuing to pay them or lay them off.

Where I think it gets tricky and I cannot answer, is if he sent them home due to shelter in place type of scenario and they have kids in school, the employee could argue they had to stay home for their kids, which would trigger the family and/or medical leave rules.

[Click here](#) to read more about the Medical and Family Leave requirements

2. Does the wages multiplier used to calculate the amount you can get from SBA include "guaranteed Payments" made to partners in an LLC that are not considered "employees" on a regular basis?

- a. The following is what is stated in the Paycheck Protection Plan: Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit. Check with your accountant/bank to confirm whether your "guaranteed payments" qualify.

3. How about if I keep all my employees, but reduce their hours? How does this impact loan forgiveness?

- a. Level of payroll; Your loan forgiveness will be reduced if you decrease salaries/wages by more than 25% for any employee who made less than \$100K in 2019

4. If your business is not deemed essential and we cannot operate, would it be best for our employees to file for unemployment or keep paying them and apply for the loan. If we are required to keep them employed in order to get debt forgiveness how do we manage that?

- a. Office products dealers are considered essential under Dept of Homeland Security guidelines. Your accountant/bank should advise you regarding whether employees should apply for unemployment or you should keep paying them and apply for the loan. Most state unemployment is significantly less than regular pay. The Paycheck Protection Plan was passed to provide debt forgiveness to employers who keep and continue to pay their employees. Refer to page 4 of [PPP guidelines sheet](#).

Any further questions can be emailed to info@iopfda.org.