

COVID-19

INDIVIDUAL RELIEF UPDATE & EMPLOYEE CONSIDERATIONS

May 14, 2020

COVID-19 INDIVIDUAL RELIEF UPDATE (1 / 10)

- Please note:
 - As the federal government and states move to protect and assist those impacted by COVID-19, initiatives are likely to change rapidly with the economic impact of the virus. We will provide regular updates with respect to proposed stimulus measures and opportunities as they change.

COVID-19 INDIVIDUAL RELIEF UPDATE (2 / 10)

- IRS Stimulus Update (“Economic Impact Payments”):
 - Stimulus payments are making their way out; visit the IRS website to check status: <https://www.irs.gov/coronavirus/economic-impact-payments>
- Mortgage Deferral Programs
 - On March 18, 2020, President Trump ordered The Department of Housing and Development (HUD) to suspend evictions and foreclosures for the next 60 days.
 - This applies only to homeowners with mortgages insured by the Federal Housing Administration (FHA) for single family homes.
 - The Federal Housing Finance Agency (FHFA), which oversees Fannie Mae, Freddie Mac, and the Federal Home Loan banks is providing payment forbearance to affected homeowners for up to twelve months.
 - Private Mortgage Relief Programs are being offered in addition to federal and state specific efforts.

COVID-19 INDIVIDUAL RELIEF UPDATE (3 / 10)

- Early Retirement Withdrawal and Similar Relief (Passed w/CARES Act on 3/27/2020)
 - Coronavirus-related distributions from IRA's (diagnosis of self, spouse, dependent, or adverse financial consequences) up to \$100,000 avoid penalties applicable under early withdrawal circumstances.
 - Amounts distributed may be repaid at any time during the 3-year period beginning the day after the distribution was received, regardless of contribution cap for that year.
 - Income inclusion spread ratably over 3-taxable-year period beginning with such taxable year (unless taxpayer elects otherwise).
 - Loans from a qualified plan up to the lesser of \$100,000 or 100% of the vested balance may be taken with a liberalized payback period of 6 years.
 - With extended tax deadline, IRAs, Roth IRAs, MSA and HSAs allow additional contributions through July 15th, 2020 for 2019 tax year.
 - Required Minimum Distributions (RMDs) for IRAs and Inherited IRAs may be waived for 2020.

COVID-19 INDIVIDUAL RELIEF UPDATE (4 / 10)

- Unemployment Insurance (Expansions Passed w/ Families First Coronavirus Response Act on 3/18/2020)
 - Federal law expanded flexibility to provide unemployment benefits where (1) an employer temporarily ceases operations due to COVID-19, preventing employees from coming to work; (2) an individual is quarantined with the expectation of returning to work after the quarantine is over; and (3) an individual leaves employment due to a risk of exposure or infection or to care for a family member. An employee is not required to quit in order to receive benefits.
 - Employees may receive benefits for up to 26 weeks though there may be a possibility for extension.
 - Employees may be entitled to COBRA health benefits under many circumstances. COBRA requires continuing insurance coverage be offered to covered employees and their families (employers are generally not required to pay premiums). Visit <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf> for details. It should be noted that, as employees are generally responsible for the COBRA premiums, it may be more affordable to find health care options in the marketplace. Job loss is a qualifying event which opens up the enrollment period for new insurance coverage.

COVID-19 INDIVIDUAL RELIEF UPDATE (5 / 10)

- Unemployment Insurance cont'd
 - On March 12, 2020, in a letter to the states, the Department of Labor (DOL) makes two additional points:
 - Allows states to waive the seven-day unpaid waiting period for benefits that is widely imposed.
 - Workers whose hours have been reduced significantly, but are still employed, can be eligible for partial unemployment insurance.
 - Congress is working on expanding language under the Stafford Act (governing national catastrophes). This would provide Disaster Unemployment Insurance options for those that are self-employed.
 - Oregon UI provides a \$126 minimum and \$538 maximum weekly benefit, dependent on average income.
 - Apply for unemployment benefits online at <https://secure.emp.state.or.us/ocs4/index.cfm?u=F20200324A085613B52828530.8634&lang=E>

COVID-19 INDIVIDUAL RELIEF UPDATE (6 / 10)

- FMLA Rules

- Covered employers must provide employees job-protected, unpaid leave for specified family and medical reasons, which may include the flu where complications arise. Employees on FMLA leave are entitled to the continuation of group health insurance coverage under the same terms as existed before they took FMLA leave.
 - Employees are eligible to take FMLA leave if they work for a covered employer and:
 - have worked for their employer for at least 12 months;
 - have at least 1,250 hours of service over the previous 12 months; and
 - work at a location where *at least 50 employees* are employed by the employer within 75 miles.

COVID-19 INDIVIDUAL RELIEF UPDATE (7 / 10)

- Families First Response Act
- The Act, signed by President Trump on March 18, 2020 expands on the previously mentioned FMLA laws. Please note these benefits are in addition to FMLA
 - Two weeks (up to 80 hours) of expanded family and medical 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 expanded family and medical 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 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.

COVID-19 INDIVIDUAL RELIEF UPDATE (8 / 10)

- Families First Response Act cont'd
 - Small businesses with less than 50 employees may qualify for exemption if the requirements jeopardize business vitality.
 - This pay is to be fully reimbursed by the government within three months through tax credits.
 - According to the IRS, employers may use payroll taxes due to claim losses from the aforementioned.

COVID-19 INDIVIDUAL RELIEF UPDATE (9 / 10)

- Student Loan Payments

- On March 20, 2020, President Trump stated that borrowers with federally held student loans will have the option to defer payments for 60 days with no penalty as the country copes with the coronavirus outbreak.

- According to the U.S. Department of Education, required student loan payments are automatically paused through September 30, 2020.
- Trump previously announced that his administration would temporarily waive all interest on federally held student loans.

- Health Insurance

- Many insurance companies may be deferring premium payments or extending grace periods for individuals and groups.
- Over the Counter medicines may be purchased with HSA and FSA funds.

- Local

- AsanteForward COVID-19 Compassion Fund is available for locals in need of assistance.