



What Forms of Relief Are Available to Workers Under the New Coronavirus Relief Law?¹

Relief for All Workers

One-time cash payment – \$1,200 one-time payment per eligible adult and \$500 per eligible minor child. Amount is reduced if you made more than \$75,000 in 2019 or if you and your spouse filed a joint tax return and made more than \$150,000. Only available if you have a work-eligible Social Security Number and are not claimed as a dependent of another person.

Relief for All Laid-Off Workers

Enhanced Unemployment Benefits - Laid-off workers are eligible to receive unemployment benefits for up to four months, in an amount equal to the regular state unemployment benefit **plus an additional \$600 per week**. The extra \$600 per week of federal assistance will be provided through and administered by existing state UI programs. The \$600 will not count as income for the purpose of Medicaid or CHIP eligibility.

Extended Unemployment Benefits. The Senate bill provides for an extra 13 weeks of regular state-provided unemployment benefits, through Dec. 31, 2020 to help those who remain unemployed after exhausting their state unemployment benefits.

Relief for Workers who Work for Employers with fewer than 500 employees

Paid Family and Medical Leave - Until 12/31/2020, up to 12 weeks of paid leave (up to 2/3 regular pay or \$200/day max) for employees who are “unable to work due to a need for leave to care for their child because the school or day care has been closed or the child care provider is unavailable due to a public health emergency.”

Paid Sick Time - Until 12/31/20, up to 80 hours of paid sick time – two thirds of regular pay - for employees who are unable to work or telework due to a quarantine or isolation order for the employee or a family member, (or caring for someone who is subject to quarantine or isolation order); or if the employee has been advised by a health care provider to self-quarantine due to coronavirus concerns; or if the employee is experiencing symptoms of coronavirus and seeking a medical diagnosis; or caring for a

¹ This summary is based substantially on a report prepared by the Center for Economics and Policy and Research, “*The US Response to COVID-19: What’s in the Federal Legislation, and What’s Not but Still Needed*,” 3/26/2020. <https://cepr.net/the-u-s-response-to-covid-19-whats-in-federal-legislation-and-whats-not-but-still-needed/?emci=36902935-6d6f-ea11-a94c-00155d03b1e8&emdi=a8a8a731-6e6f-ea11-a94c-00155d03b1e8&ceid=4623718>

child if their school or day care has been closed, or the child care provider is unavailable, due to coronavirus precautions.

Foreclosure/eviction protection for most homeowners and some renters

Foreclosure protections for **most** homeowners:

Homeowners with a federally backed mortgage loan,² who have experienced a financial hardship related to COVID-19, will have up to 180 days (six months) forbearance on delinquent home mortgages. Note: these mortgage payments will still have to be paid after the forbearance period, but mortgage servicers are forbidden from commencing foreclosure actions during that six month forbearance period.

Eviction protection for **some** renters: If a landlord's mortgage on rental property is insured or assisted in any way by HUD or FHA or other federal entities, or if the landlord has received foreclosure forbearance under the Coronavirus Relief Law, the landlord may not evict tenants or charge fees or penalties for 120 days starting on the day of the Law's enactment.

Assistance for most student loan borrowers

Loan payment deferment - Students with federal student loans, 95% of all student loan borrowers, can defer loan payments, principal, and interest for six months, through Sept. 30, 2020, without penalty to the borrower. The bill also clarifies that students who had to drop out of school due to the Coronavirus emergency will not have to return Pell grants, and that the term in which they were forced to drop out will not count towards their lifetime Pell Grant eligibility.

Emergency Relief for Airlines

\$25 billion for emergency loans – Provides loans of no more than 5 years duration to U.S. passenger airlines. Recipients are restricted from buying back their stock or issuing dividends, are limited in their ability to increase executive compensation, must maintain 90% of their March 24th employment levels through September 2020, and can be required to maintain, until March 2022, service to all locations served as of March 1, 2020. The government receives a warrant or equity interest in the companies accepting loans. The Government cannot make the loans contingent on labor concessions.

Employee retention grants for airlines and contract caterers – The law provides an additional \$25 billion in grants for the exclusive purpose of continuing Airline and contract catering employee pay and benefits. Each eligible company is entitled to the amount of wages, salaries, benefits, and other compensation paid to its employees during the period from April 1, 2019, through September 30, 2019. Cargo airlines can access a total of \$4 billion of such grants, and airline contractors - including airline caterers - can access a total of \$3 billion in retention grants. In addition to restrictions on stock buybacks and executive compensation, grant recipients cannot layoff employees until September 30, 2020.

² Any loan guaranteed by the FHA or VA, or purchased by Fannie Mae or Freddie Mac. Most conventional home loans will fall into one of those four categories.,

The procedures for applying for these funds will be put forward by Mnuchin within the next 5 days. Secretary Mnuchin has another 5 days after that to get the funds to those who apply and qualify. Whether the contractors decide to apply for these retention grants depends in part on whether they are willing to accept the law's limitations on what they can pay their top managers and executives. While the new law could provide catering companies and catering security companies with funds to pay employees through September 30th, 2020, there continues to be a severe lack of work to do, and that is getting worse not better. We will need to work with the employers about what our members can safely do, and what would be the most fair way of scheduling that work.

“Excise Tax Holiday” until January 2021. Relieves airlines from paying various taxes including passenger ticket taxes and federal jet fuel taxes, the latter of which totaled \$15.8 billion in 2018.

Emergency Relief for Airports

\$10 billion for “Grants-in-Aid” – The law provides the FAA with the authority to grant up to \$10 billion to airports with few strings attached. Approximately \$5.7 billion will be distributed based on number of 2018 enplanements. Approximately \$3.7 billion will be distributed based on each airport's debt burden and available cash relative to other airports. Airports receiving these grants must maintain 90% of their own direct staff through December 31, 2020, although this requirement can be waived by the Treasury Secretary.



Emergency Relief in New Coronavirus Law for Corporations Severely Affected by the Coronavirus Pandemic

Forgivable loans used by 'small' employers to retain employees – SBA-eligible small businesses, and any hospitality or food service company that employs less than 500 workers “per physical location”, can obtain loans of up to \$10 million for the purpose of keeping workers on payroll with full pay and benefits. Loan amounts used for payroll costs, rent, and utilities can be fully forgiven.

Employee Retention Credits – Provides employers with a refundable payroll tax credit, capped at \$10,000 per employee, for 50% of wages and benefit costs paid by employers to employees from March 13, 2020 through Dec. 31, 2020.

Delay in payment of employer payroll taxes - Employers may delay payment of 100% of the employer share of social security taxes due through the end of 2020. The deferred amounts are paid over the next three years in two installments: 50% on Dec. 31, 2021, and 50% on Dec. 31, 2022.

Increase allowable interest deductibility - Increases the amount of interest expense from business loans that businesses (both corporations and partners in partnerships) are allowed to deduct, by increasing the limitation from 30% of adjusted taxable income to 50%.

Ability to apply recent business losses against taxes paid in past five years to create rebates – the new law includes various changes to the tax code that have the cumulative effect of allowing companies with substantial business losses in 2018, 2019 and/or 2020 to “carryback” those losses to the previous five years of tax returns, which for some companies will result in substantial tax rebates.

Qualified Improvement Property Adjustment – this provision is a technical correction to the Tax Cuts and Jobs Act of 2017, that provides some companies a windfall by changing the way facility improvements are depreciated. The provision allows companies to amend previous years’ tax returns using the new depreciation rules which for some companies could result in substantial rebates.

Access to \$454 billion loan program administered by US Treasury Secretary – the new law gives Treasury Secretary Mnuchin broad discretion to make loans to small and large businesses that experienced significant business losses as a result of the Coronavirus pandemic. Recipients are restricted from buying back their stock or making dividends until 12 months following the loan becoming due; are subject to limits on increasing executive compensation; and are required to “maintain [their] employment levels as of March 24, 2020, to the extent practicable” until September 30, 2020.”

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