



Congress Update

Update on COVID-19 Response Package

Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin have reached an agreement on the second round of Coronavirus legislation. The agreement received the President support and passed with bipartisan votes shortly after midnight Saturday morning. The Senate is expected to take a vote on it early this week and we anticipate that it will pass. House Speaker Nancy Pelosi has already announced that the Democrats have begun drafting a third round of legislation that would focus primarily on the economic impacts of the virus, once that is known with more clarity. This third round has been likened to the level of relief that was passed back in 2009.

We attempt to break down the provisions of the bill, but it is important to double check any provision once it may be applicable to you and to note that these provisions are still subject to change once the Senate takes up the bill.

The current response package is primarily focused on the healthcare concerns and immediate potential life-or-death impacts. Through various mechanisms, the bill covers the costs of testing for both insured and uninsured individuals. To slow the spread of the virus, the bill mandates paid sick leave and family leave. Eligible employees are granted two weeks paid leave and up to 10 additional weeks of job-protected emergency leave. This can be due to their own illness or to care for an at-risk family member or to care for a child who no longer can go to school or if a child-care provider is unavailable due to the coronavirus.

The two-week paid leave is 80 hours or the two-week equivalent for a part-time employee. After the initial two weeks of paid leave, employees must receive at least two-thirds their usual

pay through the remainder of their leave allowable 12-week emergency leave. If the leave is taken to care for a family member, employers may pay two-thirds the regular rate for the entire 12 weeks. These leave provisions expire at the end of the year.

Businesses and self-employed individuals would get refundable tax credits to cover some of the costs. The bill provides businesses a payroll tax credit on qualified wages of up to \$511 per day for each employee who takes sick leave to self-quarantine or get a diagnosis. They get a credit of up to \$200 per day for workers caring for children or other family members who have been affected by the virus. Self-employed people get the same credit if they are caring for family members and up to \$511 per day or the average of their self-employment income per day, whichever is lower. *These credits apply to the two-week paid leave requirement.*

For the wages that are required *for the up to 10 additional weeks beyond the initial two-week leave*, which can be paid at two-thirds the employees regular pay rate, the bill provides refundable tax credit of up to \$200 per day. This credit is capped at \$10,000 for all calendar quarters. The cap also applies to a self-employed individual, but they will need to provide documentation establishing their eligibility at the full cap amount.

The leave provisions in the bill only apply to employers with fewer than 500 employees and the Department of Labor is authorized to grant exemptions to employers with fewer than 50 employees who can show hardship if held to these requirements.

The bill also provides \$1 billion in emergency grants for states to provide and manage additional unemployment insurance benefits to workers who may be laid off as a result of the virus.

The bill also includes \$1 billion in additional food assistance for low-income students, families and workers. States are allowed to use money from the food stamp program to give extra aid to families with school-age children who qualify for free or reduced-price meals. If their schools have been closed for at least five days, families can receive extra SNAP benefits equal to the value of school meals. This has the potential to impact more than 20 million school children who qualify across the country. Prior to this, USDA had waived rules so that 25 states and DC can give meals to students outside of group settings, making it easier to provide food for low-income students where schools are closed.

The bill also sets aside \$500 million in food aid for pregnant women and mothers under WIC. It also includes \$400 million for emergency food assistance through a USDA program. Another \$100 million in nutrition assistance grants will go to Puerto Rico, the Northern Mariana Islands and American Samoa. Finally, the bill also includes \$250 million for a program to provide about 25 million home-delivered and pre-packaged meals to low-income seniors.

Advocacy Activities

During the month of February, the Lobbyit team continued to work on coalition building on behalf of the Association. We met with the American Counseling Association to discuss their current Hill efforts, NCDA's priorities, and how we can continue to work together over the coming month. Shortly after this meeting they requested that Lobbyit represent NCDA at the ACCA conference in DC and speak about our efforts on the counseling bill. Our team also attended a briefing on the Hill discussing the future of work and met with a representative of a leading tech association in DC, CompTIA, and informed him about the counseling bill. In follow-up conversations they indicated that it would be something they can likely support and that they would reach out to Hill staff to discuss next steps. Later in the month, we also participated in the Legislative Committee's monthly phone call and provided updates.

Until next month,

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Lobbyit.com | 1425 K Street, NW | Suite 350 | Washington, DC 20005 | Phone: 202.587.2736 | Fax: 202.747.2727
info@lobbyit.com | lobbyit.com

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Lobbyit.com, 1425 K Street, NW, Suite 350, Washington, DC 20005

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