

# Covid-19 FAQ Reference Sheet

The Impact of COVID-19 has been the top priority for many businesses and industries as the virus affects millions of people locally and globally. Business Owners are forced to react at lightning speed to ensure the health and safety of their workforce and the public at large. Here is an FAQ to help you navigate this uncertain time.

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**Employees:**

### **For Anyone Sick or Quarantined...**

Check if you have any paid sick leave available. California employers must provide such leave and compensate you under California paid sick leave laws. Paid sick leave can be used for absences due to illness, the diagnosis, care or treatment of an existing health condition or preventative care for the employee or the employee's family member. Preventative care may include self-quarantine as a result of potential exposure to COVID-19 if quarantine is recommended by civil authorities, such as when one has recently traveled to a high risk region. California employers may not discipline an employee for using accrued paid sick leave.

If you do not qualify to use paid sick leave, or has exhausted your accrued paid sick leave, other leave may be available. Check if your company has a vacation or paid time off policy, any employee may choose to take such leave and be compensated provided that the terms of the vacation or paid time off policy allows for leave in this circumstance.

If you're unable to work due to having or being exposed to COVID-19 (and is certified by a medical professional), you can file a [Disability Insurance](#) (DI) claim. DI provides short-term benefit payments to eligible workers who have a full or partial loss of wages due to a non-work-related illness, injury, or pregnancy. Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week.

[The Governor's Executive Order](#) waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

Your employers should consider telework and leave as reasonable accommodations for employees with illness related to COVID-19 unless doing so imposes an undue hardship. Generally, when an employee requests a reasonable accommodation in the form of a change in schedule, telework, or leave, your employers may request reasonable medical documentation confirming the existence of the disability and the need for reasonable accommodation.

### **For Anyone Missing Work due to Caregiving...**

If you're unable to work because you are caring for an ill or quarantined family member with COVID-19 (certified by a medical professional), you can [file a Paid Family Leave \(PFL\) claim](#). PFL provides up to six weeks of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member or to bond with a new child. Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

## **Businesses:**

### **For Businesses Seeking Financial Relief...**

Small businesses have been hit hard by mandatory closures and safety measures required to slow the spread of the COVID-19. If you need cash to offset lost revenue and help keep your business afloat, the programs below can help. The U.S. Small Business Administration (SBA) coronavirus resource page provides a list of relief programs, and it offers guidance to small business owners during this crisis. As part of its [disaster assistance program](#), the SBA is providing low-interest working capital loans of up to \$2 million to small businesses and nonprofits affected by the coronavirus.

Businesses in Los Angeles that are responsible for providing low-income jobs can take advantage of the [Los Angeles City Small Business Emergency Microloan Program](#) and get an emergency microloan of \$5,000 to \$20,000. Loans with repayment terms of six months to one year carry an interest rate of 0% and five-year loans have interest rates of 3% to 5%.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted, an economic relief package in response to the COVID-19 pandemic. The CARES Act provides economic support at the federal level to the business sector, employees, individuals and families, and specific industries that have been impacted, including air transportation, healthcare, and education. The Paycheck Protection Program under the Cares Act is in addition to SBA economic disaster loans and two programs passed earlier this month to help businesses with expenses related to paid sick leave and family leave. It is designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses. If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable. All companies employing 500 or fewer are eligible for the program and applications can be made through any lender that is approved for the SBA's 7(a) loan program. There are thousands of approved lenders, who can be found through the SBA's online [Lender Match](#).

If you applied for and received Economic Injury Disaster Loan related to COVID19 between January 31, 2020 and before the Paycheck Protection Program became available, you would be able to refinance the Economic Injury Disaster Loan into the Paycheck Protection Program for loan forgiveness purposes.

# SMALL BUSINESS FINANCIAL RELIEF COMPARISON CHART



**The Paycheck Protection Program  
(The Cares Act)**



**Economic Injury  
Disaster Loans  
(SBA)**

## PROGRAM OVERVIEW



**PURPOSE**

The Paycheck Protection Program provides federally-guaranteed loans up to a maximum amount of \$10 million to eligible businesses, which can be partially forgivable, to encourage businesses to retain employees through the COVID-19 crisis by assisting in the payment of certain operational costs.

The U.S. Small Business Administration (SBA) offers low-interest, long-term loans for working capital to organizations suffering substantial economic injury due to the COVID-19 pandemic. To help small businesses meet their financial obligations and operating expenses (e.g. to pay fixed debts, payroll, accounts payable) that could have been met had the disaster not occurred.



**LOAN AMOUNT**

A business may borrow 250% of its average monthly payroll expenses, up to \$10 million

A business may qualify for loan amounts of up to \$2 million



**INTEREST RATE  
&  
FORGIVENESS**

Interest rate will not exceed 4 %

\* Borrower will be eligible for forgiveness and cancellation of indebtedness for up to the full principal amount of the loan during a 8 week covered period from February 15, 2020 to June 30, 2020 if borrower keep all of its employees

Interest rate will not exceed 4 %

- Small Businesses 3.75 %
- Private Non-Profits 2.75 %



**TERM**

Up to 10 years

Up to 30 years

## ELIGIBILITY



**ELIGIBILITY**

- o Small business that employs 500 employees or fewer, or
  - o Business is in an industry that has an employee-based size standard through SBA that is higher than 500 employees
  - o Restaurant, hotel, or a business that falls within the North American Industry Classification System (NAICS) code 72, "Accommodation and Food Services," and each of your locations has 500 employees or fewer
  - o Including sole proprietors, independent contractors, gig economy workers, and self-employed individuals
- o Small business owners in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19). Including but not limited to:
    - o Restaurants
    - o Retailers
    - o Hotels
    - o Manufacturers
    - o Owners of rental property
    - o Wholesalers

## **Employers:**

### **Are Employers Required to Provide Time-off for Employees due to School Closure?**

In California, employers with 25 or more employees working at the same location must permit employees to take time off for certain child-related activities, including to address a child-care provider or school emergency. Such an emergency includes closure or unexpected unavailability of the school or child-care provider. Employees may take up to 40 hours each year for school activities. Employees are limited to eight hours per month for most activities, but that limitation doesn't apply to emergencies.

The [Families First Coronavirus Response Act](#) (FFCRA), which was signed into law by President Trump will take effect on April 2, 2020, and remains in effect until December 31, 2020. FFCRA provides sick leave to be used for family care (including child care in the event of a school closure or lack of childcare), which will be paid at two-thirds the employee's regular rate. Full-time employees will be entitled to two weeks (80 hours) of paid sick leave and part-time employees will be entitled to the average number of hours worked over a two-week period.

### **For Employees Whose Work Hours are Reduced by Employers...**

If your employer has reduced your hours or shut down operations due to COVID-19, you can file an [Unemployment Insurance \(UI\)](#) claim. UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own. Workers who are temporarily unemployed due to COVID-19 and expected to return to work with their employer within a few weeks are not required to actively seek work each week. However, they must remain able and available and ready to work during their unemployment for each week of benefits claimed and meet all other eligibility criteria. Eligible individuals can receive benefits that range from \$40-\$450 per week.

The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect UI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

### **For Employers that Want to Find Out Employee's Travel History**

Employers can request that employees inform them if they are planning or have traveled to countries considered by the [Centers for Disease Control and Prevention to be high-risk areas for exposure to the coronavirus](#). However, employees have a right to medical privacy, so the employer cannot inquire into areas of medical privacy. For an up-to-date list of "High Risk" countries visit the CDC's [Travelers from Countries with Widespread Sustained Transmission Arriving in the United States](#).

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### **For Employers Wondering What Their Options are if an Employee Displays Covid-19 Symptoms (i.e., Cough, Shortness of Breath, Fever)?**

An Employer may ask employees who exhibit COVID-19 symptoms to go home. The CDC states that employees who become ill with symptoms of the COVID-19 illness at work should leave the workplace.

If you ask an employee to leave work or stay home due to COVID-19 and the employee is [non-exempt](#), you must pay the employee at least two hours or no more than four hours of reporting time pay. If the employee stays home and does not report to work, you can ask, but not require, the employee if they wish to use paid sick pay. If the employee exhausts sick pay, PTO, or vacation pay benefits and the employee is still ill, you should consider a reduced hourly rate or continue paying the normal hourly rate for a certain time period. Once all legally required paid time off is exhausted, you are not obligated to pay non-exempt employees if they are not working for you.

However, the latest federal legislation addresses issues related to COVID-19, The Families First Coronavirus Response Act, requires most employers to provide additional paid sick to employees unable to work for certain reasons related to COVID-19.

### **For Employers Wondering How Much Information They may Request From Employees Who Report Feeling Ill at Work During a Pandemic**

Employers may ask employees if they are experiencing COVID-19 symptoms, such as fever or chills and a cough or sore throat. Employers must maintain all information about employee illness as a confidential medical record. An employer is entitled to ask why an employee has not reported for work. If an employee discloses an illness or medically-related reason for absence, employers must also maintain that information as a confidential medical record.

Generally, measuring an employee's body temperature is a medical examination that may only be performed under limited circumstances. However, based on current CDC and local public health information and guidance, employers may measure employees' body temperature for the limited purpose of evaluating the risk that employee's presence poses to others in the workplace as a result of the COVID-19 pandemic. \_\_\_\_\_

### **For California Employers Contemplating the Difference of Furlough vs. Layoffs**

Employments in California are generally "at-will." This means an employer may change the terms and conditions of employment (to the extent permitted by law) with or without notice or cause, unless a contract, collective bargaining agreement, or terms of employment state otherwise.

Despite an employer's best efforts to avoid layoffs, the losses in revenue and uncertainty in the future caused by COVID-19 have forced many businesses to start evaluating their options for preserving their companies while maintaining their workforce.

A furlough is an employer initiated, temporary unpaid leave due to circumstances impacting the company. Furloughed employees typically have an expectation of returning to work for the company at a company-specified time in the future and typically retain their benefits during the term of the furlough; while a layoff generally means a complete employment severance. A furlough is a good option for retaining employees that the company cannot currently afford, but who the company does not want to layoff. This option can be especially useful for retailers who typically have large numbers of [non-exempt employees](#).

Generally, employers can schedule nonexempt employees for fewer days or hours without major liability concerns since employers do not need to pay a nonexempt employee for time not actually worked. On the other hand, if an exempt employee performs any work (even just checking e-mails) during a workweek, that exempt employee should receive their entire salary that week. Failure to compensate an exempt employee for a week where any work is performed can jeopardize that employee's exempt status.

When an employer places employees on extended furlough or conducts a layoff, federal Worker Adjustment Retraining Notification (WARN) and if an employer with 75 or more employees ends up "laying off" 50 or more employees, it may trigger [California Worker Adjustment and Retraining Notification Act \(CalWARN Act\)](#) requirements, which Governor Newsom temporarily suspends the 60-day notice requirement in the California WARN Act for those employers that give written notice to employees and satisfy other conditions.

### **Employer Resources for Further Information Regarding COVID-19**

- Employment Development Department (EDD):  
[https://www.edd.ca.gov/about\\_edd/coronavirus-2019/faqs.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019/faqs.htm)
- California Department of Industrial Relations (DIR):  
<https://www.dir.ca.gov/dlse/2019-Novel-Coronavirus.htm>
- U.S. Department of Labor (DOL): <https://www.dol.gov/coronavirus>  
<https://www.dol.gov/agencies/whd/pandemic>
- Occupational Safety and Health Administration (OSHA):  
<https://www.osha.gov/SLTC/covid-19/>
- The Centers for Disease Control (CDC):  
<https://www.cdc.gov/coronavirus/2019-ncov/community/index.html>
- World Health Organization (WHO):  
<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>
- Here is a link to the newly streamlined SBA website to apply to a disaster relief loan:  
<https://covid19relief.sba.gov/#/>