Federal Relief Legislation for Clubs

March 31, 2020

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Considerations Clubs Need to Make During This Time

- Staffing Needs
- Making Adjustments (furloughs/layoffs)
- Anti-discrimination laws
- Compliance with WARN laws (State and Federal) for closures and mass layoffs
- OSHA standards for workplace safety
- Notice and compliance under labor agreements
- Leave of Absence laws (FMLA)
- Privacy laws regarding medical records
- Limit dissemination of information to only those who need to know
- Discrimination laws (race, age, sex) also apply
- Communicate with employees

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Families First Act

- Signed into law March 18, 2020
  - Effective April 1, 2020
  - Expires December 31, 2020
- Employers with 500 or fewer employees
- Creates temporary paid FMLA leave
- Temporary paid sick leave
- Limited “business jeopardy” exemption on case-by-case basis
- Tax Credits
- Guidance From Treasury Department and Department of Labor
  - March 24 and March 30 guidance
  - FAQ includes useful scenarios
  - Up on nationalclub.org/coronavirus

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Families First Act

- Paid Family Leave of up to 12 weeks
  - Employees who have worked 30 calendar days are eligible
  - First 10 days unpaid
  - Only available when employee is unable to work (or telework) or school/childcare closed for minor child
  - After 10 days employees entitles to pay at not less than 2/3 regular rate of pay
  - Job protection and health benefits continuation apply
  - Payroll tax credit to offset
- Paid sick leave for full time is 80 hours – part time based on number of hours over two-week period
  - Quarantine/isolation order/self-quarantine
  - Symptoms and seeking diagnosis
  - School/daycare closure
  - Anti-retaliation and enforcement penalty provisions
  - Payroll credit to offset
  - Must provide notice to employees

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CARES Act

- CARES Act Enacted March 27, 2020
- $2.2 trillion
- Small Businesses Loans
  - Total of 29 501(c) types
  - Charitable Organizations 501(c)3 eligible
  - Veterans Organizations 501(c)19 eligible
  - 501(c)7 and 26 other categories not eligible
  - 277 Clubs eligible
- Lines of Credit
- SBA Economic Injury Disaster Loans
  - All 501(c) organizations eligible
  - Up to $2 million for working capital

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CARES Act

• Shut down due to COVID-19 or 50 percent reduction in receipts from previous year
  • What is included in gross receipts
    • Dues?
    • Assessments?
  • Refundable credit against payroll taxes
  • Up to 50 percent of the first $10,000 of wages per paid employee during affected quarter
    • Claimed on quarterly payroll tax return

• Payroll Tax Deferment
  • Employers may defer employer portion of payroll taxes (OASDI)
  • Remit 50 percent by the end of 2021
  • Remaining 50 percent by the end of 2022
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Questions

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