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Current Awareness

4 EMPLOYERS CONFRONTING THEIR OBLIGATIONS AS CORONAVIRUS (COVID-19) SPREADS
Labor & Employment

17 DIAGNOSING AND TREATING CORONAVIRUS RISKS IN M&A TRANSACTIONS
Corporate and M&A

22 HHS ADDRESSES HIPAA PRIVACY AND SECURITY RULE ISSUES IN COMBATING CORONAVIRUS
Employee Benefits & Executive Compensation

Practice Tips

26 CORONAVIRUS AND FORCE MAJEURE CHECKLIST
Commercial Transactions

30 COVID-19 CLAIMS IMPACT ENTIRE INSURANCE COVERAGE SPECTRUM
Insurance

36 FDA EMERGENCY USE AUTHORIZATIONS
Life Sciences

42 TELECOMMUTING EMPLOYEES: BEST PRACTICES CHECKLIST
Labor & Employment

51 TELECOMMUTING POLICIES: KEY DRAFTING TIPS
Labor & Employment

Practice Notes

53 CORONAVIRUS TAX RELIEF
Tax

58 SEEKING TIME EXTENSIONS IN LITIGATION
Civil Litigation

64 COVID-19 RAMIFICATIONS FOR PUBLIC COMPANIES
Capital Markets & Corporate Governance

70 SEC REPORTING COMPANIES: CONSIDERING THE IMPACT OF THE CORONAVIRUS ON PUBLIC DISCLOSURE AND OTHER OBLIGATIONS
Capital Markets & Corporate Governance

76 SEC ISSUES STATEMENT ON CORONAVIRUS REPORTING CONSIDERATIONS AND POTENTIAL RELIEF
Capital Markets & Corporate Governance

79 NAVIGATING CORONAVIRUS: A GUIDE FOR REIT GENERAL COUNSEL
Real Estate
Employers Confront Their Obligations as Coronavirus (COVID-19) Spreads

Richard D. Glovsky, Jordon R. Ferguson, and Rufino Gaytán III

LOCKE LORD LLP
This article provides practical guidance regarding how employers should address legal issues raised by the coronavirus (COVID-19). As the coronavirus spreads around the globe and cases are rapidly appearing in the United States, employers must confront issues in the workplace concerning risks to their employees.

Families First Coronavirus Response Act (Including Emergency FMLA Expansion and Emergency Paid Sick Leave)

President Trump signed The Families First Coronavirus Response Act (FFCRA) into law on March 18, 2020. It includes two major overhauls to leave programs for employers—an expansion to the Family and Medical Leave Act (FMLA) via the Emergency Family and Medical Leave Expansion Act, and newly provided Emergency Paid Sick Leave.

According to guidance issued by the U.S. Department of Labor (DOL), both laws go into effect on April 1, 2020, and run through December 31, 2020. That guidance further confirms that neither of the new leave programs are retroactive, i.e., they apply to leave taken between April 1, 2020, and December 31, 2020.

Additionally, the DOL has issued a model poster in English and Spanish that covered non-federal government employers must post, as well as an FAQ related to the poster. Federal government employers have separate model posters in English and Spanish.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. Among other things, the CARES Act amends portions of the FFCRA.

For more information on the FMLA, see COVID-19 or Other Public Health Emergencies and the Family and Medical Leave Act Questions and Answers.

Emergency Family and Medical Leave Expansion Act

The main component of the Emergency Family and Medical Leave Expansion Act portion of the FFCRA is the addition of Public Health Emergency Leave, with certain job protection requirements and paid and unpaid leave for certain eligible employees.

Public Health Emergency Leave applies to all private employers with fewer than 500 employees, and it applies to all public employers. This criteria is different from the FMLA’s usual coverage threshold (i.e., a 50-employee minimum). Employees on leave, temporary employees jointly employed by one or more companies (regardless of where the jointly-employed employees are housed for payroll purposes), and day laborers supplied by a temporary agency are also counted toward the leave coverage limit.

A corporation, including its separate establishments or divisions, is considered to be a single employer and its employees should be each counted toward the 500-employee threshold. Where a corporation has an ownership interest in another corporation, the two corporations are separate employers unless they are joint employers as defined in the Fair Labor Standards Act (FLSA) with respect to certain employees. If two entities are deemed joint employers, all of their common employees must be counted in determining whether Public Health Emergency Leave applies. If two or more entities satisfy the integrated employer test under the FMLA, then all employees of all entities making up the integrated employer will be counted in determining employer coverage for Public Health Emergency Leave.

Employers that are signatories to multi-employer collective bargaining agreements may find some relief from this amendment if they make contributions to a multiemployer fund, plan, or program based on the paid leave entitlements to which employees would otherwise be entitled.

The amended FMLA, as relates to the new Public Health Emergency Leave, allows the Secretary of Labor to issue good-cause regulations to exclude certain health care providers and emergency responders from eligibility. Guidance\(^7\) issued by the DOL indicates that employers of “health care providers” and “emergency responders” are not required to provide those employees with Public Health Emergency Leave.

- A “health care provider” is anyone employed at any doctor’s office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility, nursing home, home health care provider, any facility that performs laboratory or medical testing, pharmacy, or any similar institution, employer, or entity. This includes any permanent or temporary institution, facility, location, or site where medical services are provided that are similar to such institutions. This definition also includes any individual employed by an entity that contracts with any of the above institutions, employers, or entities institutions to provide services or to maintain the operation of the facility. This also includes anyone employed by any entity that provides medical services, produces medical products, or is otherwise involved in the making of COVID-19 related medical equipment, tests, drugs, vaccines, diagnostic vehicles, or treatments. This also includes any individual that the highest official of a State or territory, including the District of Columbia, determines is a health care provider necessary for that State’s or territory’s or the District of Columbia’s response to COVID-19.

- An “emergency responder” is an employee who is necessary for the provision of transport, care, health care, comfort, and nutrition of such patients, or whose services are otherwise needed to limit the spread of COVID-19. This includes but is not limited to military or national guard, law enforcement officers, correctional institution personnel, fire fighters, emergency medical services personnel, physicians, nurses, public health personnel, emergency medical technicians, paramedics, emergency management personnel, 911 operators, public works personnel, and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility. This also includes any individual that the highest official of a State or territory, including the District of Columbia, determines is a health care provider necessary for that State’s or territory’s or the District of Columbia’s response to COVID-19.

The amended FMLA also allows the Secretary of Labor to issue regulations that exempt small businesses with fewer than 50 employees if the obligations would jeopardize the viability of the business as a going concern. The DOL guidance\(^6\) provides that an employer, including a religious or nonprofit organization, with fewer than 50 employees is exempt from providing Public Health Emergency Leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons if an authorized officer of the business has made one of the following determinations:

- The provision of Public Health Emergency Leave would result in the small business’s expenses and financial obligations exceeding available business revenues and cause the small business to cease operating at a minimal capacity.

- The absence of the employee or employees requesting Public Health Emergency Leave would entail a substantial risk to the financial health or operational capabilities of the small business because of their specialized skills, knowledge of the business, or responsibilities.

- There are not sufficient workers who are able, willing, and qualified, and who will be available at the time and place needed, to perform the labor or services provided by the employee or employees requesting Public Health Emergency Leave, and these labor or services are needed for the small business to operate at a minimal capacity.

Notably, the Emergency Family and Medical Leave Expansion Act portion contains a “Special Rule for Certain Employers.” It provides that an employer, as defined by the Emergency Family and Medical Leave Expansion Act (i.e., fewer than 500 employees), will not be subject to section 107(a) of the FMLA\(^9\) (i.e., its section that allows employees to bring an enforcement action) for a violation based on the Emergency Family and Medical Leave Expansion Act unless that employer also meets the traditional definition of employer under the FMLA (i.e., 50 or more employees).

The March 20, 2020, joint press release\(^10\) by the U.S. Internal Revenue Service (IRS), DOL, and the Department of Treasury states that the DOL will be issuing a temporary non-enforcement policy that provides a period of time for employers to come into compliance with the Act. Under this policy, the DOL will not bring an enforcement action against any employer for violations of the FFCRA if the employer has acted reasonably and in good faith to comply with the Act. According to a March 24, 2020, memorandum\(^11\) from the DOL Wage and Hour Division, an employer in violation of the FFCRA acts reasonably and in “good faith” when (1) the employer remedies any violations, including by making all affected employees whole, as soon as practicable; (2) the violations were not “willful” (i.e., the employer did not know or show reckless

\(^7\) https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\(^8\) https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\(^9\) 29 U.S.C. § 2617
\(^10\) https://www.dol.gov/newsroom/releases/osec/
\(^11\) https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\(^9\) employer-paid-leave
disrespect for the matter of whether its conduct was prohibited); and (3) the DOL receives a written commitment from the employer to comply with the FFCRA in the future.

Relaxed Eligibility Requirements for Employees

Ordinarily, employees must work at least 1,250 hours and at least 12 consecutive months to be eligible for FMLA leave. Public Health Emergency Leave coverage is more expansive. Employees who have been employed for at least 30 days are eligible for this leave from that employer. The CARES Act further relaxes the 30-day requirement, providing that employees who were laid off after March 1, 2020, but later rehired would be eligible for Public Health Emergency Leave if the employee worked for the employer for at least 30 of the last 60 calendar days prior to their layoff.

To qualify for Public Health Emergency Leave, an employee must have a qualifying need related to an emergency declared by a federal, state, or local authority regarding COVID-19. To establish a qualifying need, the employee must be unable to work (or telework) because he or she needs to care for his or her minor child if the child's elementary or secondary school or place of care has been closed, or if the child's regular paid care provider is unavailable, because of an emergency declared by a federal, state, or local authority regarding the coronavirus. DOL guidance also indicates that this leave would also extend to an employee's adult son or daughter who (1) has a mental or physical disability and (2) is incapable of self-care because of that disability.

Employers are authorized to obtain documentation from employees sufficient to support requests for Public Health Emergency Leave to the extent permitted under certification rules for conventional FMLA leave requests and as specified in applicable IRS forms, instructions, and information for tax credits under the FFCRA. Employers should retain this documentation because the DOL and IRS will require documentation on the reason for the leave where an employer requests a tax credit. As of March 31, 2020, the IRS has not yet released any such certification forms to provide guidance on the documentation to be collected, though these materials are expected to be posted here. Additionally, employers can require workers to provide additional documentation in support of Public Health Emergency Leave, including a notice that may have been posted on a government, school, or day care website, published in a newspaper, or emailed from an employee or official of the school, place of care, or child care provider. Where an employee has not provided materials sufficient to support the applicable tax credit, the DOL guidance indicates employers are not required to provide leave.

It is still an open question whether both parents are eligible to take simultaneous leave. The DOL guidance indicates employees may take intermittent leave to care for a child whose school is closed or where childcare is unavailable due to the coronavirus. Where an employee is teleworking, an employee may take intermittent leave in any increment agreed to between the employer and employee (e.g., hour or hour and a half increments). However, where employees are not teleworking, employees must take intermittent leave in full-day increments.

The DOL guidance further provides that the ability to telework may be a key factor in evaluating an employee's ability to take leave under the amended FMLA. Even where an employer offers telework, the DOL has recognized that employees may nonetheless become unable to telework for qualifying reasons. Thus, employers should communicate openly with their employees to determine leave eligibility.

Related Content

For an overview of practical guidance on the novel coronavirus (COVID-19) covered in many practice area offerings in Lexis Practice Advisor, including Labor & Employment, see

- CORONAVIRUS (COVID-19) RESOURCE KIT

For general information about the Family and Medical Leave Act, see

- FMLA LEAVE: GUIDANCE FOR EMPLOYERS AND EMPLOYEES

For more information on paid sick leave, see

- PAID SICK LEAVE STATE AND LOCAL LAW SURVEY (PRIVATE EMPLOYERS)

For an examination of issues to consider when drafting sick leave policies, see

- PAID SICK LEAVE POLICIES CHECKLIST (BEST DRAFTING PRACTICES FOR EMPLOYERS)
The DOL guidance\textsuperscript{17} has also clarified that Public Health Emergency Leave benefits are limited when an employer is forced to shut down or when it furloughs employees. For example, an employer does not need to provide these benefits to its employees if it closes before April 1, 2020 (the effective date of the FFCRA) due to lack of business or pursuant to a Federal, State, or local directive. Similarly, an employer that closes after April 1, 2020 does not need to provide these benefits to employees who have not already gone on leave. Where an employee is already on Public Health Emergency Leave, an employer must provide any Public Health Emergency Leave used by the employee up to the time of the closure.

The DOL guidance\textsuperscript{18} also provides that employees are not entitled to take Public Health Emergency Leave during a furlough caused by lack of work or business, even if the employer plans to reopen in the future. Similarly, if an employer has reduced (not eliminated) an employee's hours due to lack of work or business, the employee may not use Public Health Emergency Leave for the hours he or she is no longer scheduled to work.

\textit{No Additional FMLA Time}

Employees who take Public Health Emergency Leave are eligible for the same amount of FMLA leave (12 weeks) as employees who take leave for other FMLA-covered reasons. The DOL has clarified\textsuperscript{19} that an employee who has taken (or exhausted) FMLA leave for reasons other than Public Health Emergency Leave in the preceding leave year will have reduced (or no) leave time under the FMLA for a Public Health Emergency. Similarly, employees who use some or all of their allotted Public Health Emergency Leave will have reduced (or no) leave time under the FMLA for an otherwise qualifying event within the following leave year.

Additionally, employers in states like California, with their own state equivalents of the FMLA, face the potential of leave covered by the amended FMLA that does not exhaust leave under their state's FMLA equivalent law, unless those state laws also are amended. Thus, it is possible that an employee in a state like California could be entitled to up to 12 weeks of Public Health Emergency Leave in addition to up to 12 weeks of leave under the California Family Rights Act (CFRA), assuming qualifying reasons for both.

\textbf{Job Protection}

In keeping with traditional FMLA leave, employers must restore employees to their same or a similar position upon their return from Public Health Emergency Leave.

Smaller employers (25 or fewer employees) are exempt from this job protection requirement, however, if:

\begin{itemize}
\item The position held by the employee does not exist due to economic conditions or other changes in operating conditions that affect employment and are caused by a coronavirus-related emergency declared by a federal, state, or local authority
\item The employer makes reasonable efforts to restore the employee to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment
\item After those reasonable efforts fail, the employer makes reasonable efforts to contact the employee about an equivalent position, if one becomes available, for one year following the conclusion of the coronavirus-related emergency or the conclusion of the 12 weeks of coronavirus-related leave taken by the employee, whichever is earlier
\end{itemize}

\textbf{Pay Requirements for Public Health Emergency Leave}

Employers need not pay employees who take Public Health Emergency Leave for the first 10 days of leave. Employees may opt to use (substitute) any accrued paid time off, vacation time, sick leave, or other paid leave during this initial period (including sick leave under the Emergency Paid Sick Leave Act, discussed below). Employers cannot require employees to use those benefits, however.

After the first 10 days of Public Health Emergency Leave, employers must pay employees on such leave at a rate of two-thirds the employee’s regular rate of pay (as determined under the FLSA) and for the number of hours the employee would normally be scheduled to work. In no event, however, will the employee’s paid leave exceed $200 per day and $10,000 in the aggregate.

For employees with variable work schedules, employers are to average the employee’s hours worked per day over the previous six months or, if the employee has not worked during that period of time, the average daily hours the employee would have been reasonably expected to be scheduled to work when hired.

Guidance\textsuperscript{20} from the DOL and the CARES Act provide that employers may choose to pay employees more than the mandated cap. Employers may even allow employees to use employer-provided leave to supplement the paid Public Health Emergency Leave to fill the gap on the additional 1/3 of normal earnings. Employers may not, however, receive tax credits for any leave payments exceeding the statutory cap.

\textsuperscript{17}https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\textsuperscript{18}https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\textsuperscript{19}https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
\textsuperscript{20}https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
**Tax Credit**

Recognizing the fiscal impact of the Public Health Emergency Leave, the FFCRA provides a payroll tax credit for covered employers to cover the cost of the paid leave.

The March 20, 2020, joint press release21 by the IRS, DOL, and Department of Treasury indicates that under the anticipated guidance, employers who pay qualifying sick or child-care leave will be able to retain an amount of the payroll taxes equal to the amount of qualifying leave that they paid, rather than deposit those amounts with the IRS under the traditional scheme. The payroll taxes that are available for retention include withheld federal income taxes, the employee share of Social Security and Medicare taxes, and the employer share of Social Security and Medicare taxes concerning all employees. Notably, if there are not sufficient payroll taxes to cover the cost of qualified sick and child-care leave paid, employers will be able to file a request for an accelerated payment from the IRS. The IRS expects to process those requests in two weeks or less.

Additional information on this program is expected to be posted here.22

**Emergency Paid Sick Leave Act**

Like the Emergency Family and Medical Leave Expansion Act, the Emergency Paid Sick Leave Act goes into effect on April 1, 2020, and runs through December 31, 2020.

**Coverage of Sick Leave Act**

Like the Emergency Family and Medical Leave Expansion Act, the Emergency Paid Sick Leave Act only applies to private employers to the extent they have fewer than 500 employees, and it applies to all public employers. This count includes employees on leave, temporary employees jointly employed by one or more companies (regardless of where the jointly-employed employees are maintained for payroll purposes), and day laborers supplied by a temporary agency.

A corporation, including its separate establishments or divisions, is considered to be a single employer and its employees should be each counted toward the 500-employee threshold. Where a corporation has an ownership interest in another corporation, the two corporations are separate employers unless they are joint employers under the FLSA with respect to certain employees. If two entities are deemed joint employers, all of their common employees must be counted in determining whether the Emergency Paid Sick Leave Act applies.

Employers should also be cognizant of State and local ordinances that expand on the requirements of the FFCRA and Emergency Paid Sick Leave Act. For example, on March 27, 2020, the Los Angeles City Council passed a paid sick leave ordinance23 applicable to large employers (more than 500 employees nationally) with terms that deviate from the Emergency Paid Sick Leave Act.

Like the amended FMLA, the Emergency Paid Sick Leave Act authorizes the Secretary of Labor to issue good-cause regulations to exempt from coverage certain health care providers and emergency responders. Guidance24 issued by the DOL indicates that employers of “health care providers” and “emergency responders” are not required to provide those employees with Emergency Paid Sick Leave.

- A “health care provider” is anyone employed at any doctor’s office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility, nursing home, home health care provider, any facility that performs laboratory or medical testing, pharmacy, or any similar institution, employer, or entity. This includes any permanent or temporary institution, facility, location, or site where medical services are provided that are similar to such institutions. This definition also includes any individual employed by an entity that contracts with any of the above institutions, employers, or entities institutions to provide services or to maintain the operation of the facility. This also includes anyone employed by any entity that provides medical services, produces medical products, or is otherwise involved in the making of COVID-19 related medical equipment, tests, drugs, vaccines, diagnostic vehicles, or treatments. This also includes any individual that the highest official of a State or territory, including the District of Columbia, determines is a health care provider necessary for that State’s or territory’s or the District of Columbia’s response to COVID-19.

- An “emergency responder” is an employee who is necessary for the provision of transport, care, health care, comfort, and nutrition of such patients, or whose services are otherwise needed to limit the spread of COVID-19. This includes but is not limited to military or national guard, law enforcement officers, correctional institution personnel, fire fighters, emergency medical services personnel, physicians, nurses, public health personnel, emergency medical technicians, paramedics, emergency management personnel, 911 operators, public works personnel, and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility. This also includes any individual that the highest official of a State or territory, including the District of Columbia, determines is a health care provider necessary for that State’s or territory’s or the District of Columbia’s response to COVID-19.

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The Emergency Paid Sick Leave Act also allows the Secretary of Labor to issue regulations that exempt small businesses with fewer than 50 employees if the obligations would jeopardize the viability of the business as a going concern. The DOL guidance provides that an employer, including a religious or nonprofit organization, with fewer than 50 employees is exempt from providing Emergency Paid Sick Leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons if an authorized officer of the business has made one of the following determinations:

- The provision of Emergency Paid Sick Leave would result in the small business’s expenses and financial obligations exceeding available business revenues and cause the small business to cease operating at a minimal capacity.
- The absence of the employee or employees requesting Emergency Paid Sick Leave would entail a substantial risk to the financial health or operational capabilities of the small business because of their specialized skills, knowledge of the business, or responsibilities.
- There are not sufficient workers who are able, willing, and qualified, and who will be available at the time and place needed, to perform the labor or services provided by the employee or employees requesting Emergency Paid Sick Leave, and these labor or services are needed for the small business to operate at a minimal capacity.

Employers should note, however, that this small business exemption does not eliminate an otherwise-covered employer from providing Emergency Paid Sick Leave to an employee for any of the other qualifying reasons.

Finally, the Act authorizes the Secretary of Labor to issue good cause regulations as necessary to carry out the purposes of the Emergency Paid Sick Leave Act, including to ensure consistency with the amended FMLA and the tax credit provisions of the FFCRA.

Aside from the guidance noted above, however, the Department of Labor has not issued any further regulations as of March 31, 2020. It is expected that any further regulations will be posted here.

Qualifying Events for Sick Leave

To establish a qualifying need, an employee must be unable to work (or telework) due to one or more of the following reasons:

1. The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider (i.e., a licensed doctor of medicine, nurse practitioner, or other health care provider permitted to issue a certification for purposes of the FMLA) to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
4. The employee is caring for an individual subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
5. The employee is caring for an individual who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
6. The employee is caring for his or her child for one of the following reasons: the child’s school or place of care has been closed, or the child’s care provider is unavailable, due to COVID-19 precautions.
7. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of Treasury and the Secretary of Labor.

According to the U.S. Centers for Disease Control and Prevention (CDC) the symptoms include fever, cough, shortness of breath, bluish lips or face, new confusion or inability to arouse, persistent pain or pressure in the chest, and trouble breathing. Employers should monitor the symptoms of the CDC for updates as more information is uncovered about the coronavirus.

Many states and localities have issued shelter in place orders for their communities. Currently, there is no official guidance determinative on the issue of whether this qualifies as an order for quarantine or isolation for paid sick leave. Similarly, there is no official guidance on whether employees who have recently returned from international travel, who the CDC says should quarantine for 14 days before returning to work, are eligible for Emergency Paid Sick Leave. DOL guidance did not specifically address either issue. That guidance does, however, indicate that Emergency Paid Sick Leave does not extend to an employee who is sent home and who is not paid because an employer does not have work for him or her. That is true, the DOL states, whether the employer closes the worksite for lack of business or because it is required to close pursuant to a Federal, State, or local directive. Extended unemployment benefits provided under the CARES Act would cover an employee unable to reach his or her place of work because of a quarantine or the advice of a health care provider to self-quarantine. Thus, it is possible that the CARES Act benefits are meant to fill these gaps where Emergency Paid Sick Leave is unavailable to employees who are otherwise unable to work due to COVID-19-related reasons.

The DOL guidance further provides that the ability to telework may be a key factor in evaluating an employee’s ability to take Emergency Paid Sick Leave. Even where an employer offers telework, the DOL has recognized that employees may nonetheless become unable to telework for qualifying reasons. Thus, employers should communicate openly with their employees to determine leave eligibility.

The DOL guidance has also clarified that Emergency Paid Sick Leave benefits are limited when an employer is forced to shut down or when it furloughs employees. For example, an employer does not need to provide these benefits to its employees if it closes before April 1, 2020 (the effective date of the FFCRA) due to lack of business or pursuant to a Federal, State, or local directive. Similarly, an employer that closes after April 1, 2020 does not need to provide these benefits to employees who have not already gone out on leave. Where an employee is already on Emergency Paid Sick Leave, an employer must provide any paid leave used by the employee up to the time of the closure.

The DOL guidance also provides that employees are not entitled to take Emergency Paid Sick Leave during a furlough caused by lack of work or business, even if the employer plans to reopen in the future. Similarly, if an employer has reduced (not eliminated) an employee’s hours due to lack of work or business, the employee may not use this paid leave for the hours he or she is no longer scheduled to work.

Number of Sick Leave Hours Provided

Full-time employees are entitled to 80 hours of paid sick leave, and part-time employees are entitled to sick leave equivalent to those hours the employee works, on average, over a two-week period. Part-time employees are entitled to paid sick leave equivalent to those hours the employee works, on average, over a two-week period.

Employees who work a variable or irregular schedule are entitled to be paid based on the average number of hours the employee worked for the six months prior to taking Emergency Paid Sick Leave. Employees who have worked for less than six months prior to leave are entitled to the employer’s reasonable expectation at hiring of the average number of hours the employee would normally be scheduled to work.

Where an employee takes Emergency Paid Sick Leave for his or her own self-isolation, medical diagnosis, or treatment (i.e., reasons 1, 2, or 3 above), that employee will receive 100% of his or her regular rate of pay for the duration, subject to a $511 daily and $5,110 aggregate cap over the two-week period.

Where an employee takes Emergency Paid Sick Leave to care for another individual, to care for the employee’s child, or due to a substantially similar condition to COVID-19 (i.e., reasons 4, 5, 6, or 7 above), that employee will receive two-thirds (2/3) of his or her regular rate of pay or two-thirds (2/3) the applicable minimum wage, whichever is higher, for the duration, subject to a $200 daily and $2,000 aggregate cap over the two-week period.

An employee taking Emergency Paid Sick Leave to care for his or her child (i.e., reason 6 above) may also be eligible for Public Health Emergency Leave, as detailed above.

Pursuant to the CARES Act, an employer’s requirement to provide paid leave under the Sick Leave act expires once an employee has been paid for the equivalent of 80 hours of work or upon the employee’s return to work after taking paid sick leave under the Act. Guidance from the DOL issued just prior to the passage of the CARES Act, however, indicates that an employee may return to work before the exhaustion of these 80 hours and, prior to December 31, 2020, may use the remainder of any paid leave for the same or another qualifying reason.

Notably, Section 5107 of the Emergency Paid Sick Leave Act states that nothing in the Act will be construed to diminish rights or benefits to which an employee is already entitled under any other federal, state, or local law; collective bargaining agreement; or existing employer policy. Thus, employers should be cognizant that if they currently have a paid time off/vacation policy and/or if they are in a state or locality that requires paid sick leave, such as California or the City of Los Angeles, they need to provide paid sick leave benefits under the FFCRA in addition to those already-existing benefits.

Furthermore, Section 5102(e)(2)(B) states that an employer may not require employees to use other paid leave before he or she may use the paid sick leave entitlements afforded under this law. This also tends to suggest that employers cannot retroactively apply this paid sick leave. For example, an employer cannot deduct from this paid
sick leave allotment paid time that was afforded to the employee prior to the date the law went into effect.

Guidance from the DOL and the CARES Act provides that employers may choose to pay employees more than the mandated cap. Employers may not, however, receive tax credits for any leave payments exceeding the statutory cap.

**Job Protection**

As with Public Health Emergency Leave, DOL guidance clarifies that employers must restore employees to their same or a similar position upon their return from Emergency Paid Sick Leave.

**Penalties for Noncompliance**

The Emergency Paid Sick Leave Act prohibits any employer from discharging, disciplining, or in any other manner discriminating against any employee who takes leave in accordance with the Act or who has filed a complaint or who has caused a proceeding to be instituted under the Act or who provides testimony in any such proceeding. Any employer who willfully violates this prohibition is deemed in violation of the FLSA and is subject to penalties.

Employers that violate the terms of the Emergency Paid Sick Leave Act by not paying employees for the leave will be considered to have failed to pay minimum wage in violation of the FLSA, and be subject to penalties under the FLSA.

The March 20, 2020, joint press release by the U.S. Internal Revenue Service (IRS), DOL, and the Department of Treasury states that the DOL will be issuing a temporary non-enforcement policy that provides a period of time for employers to come into compliance with the Act. Under this policy, the DOL will not bring an enforcement action against any employer for violations of the FFCRA if the employer has acted reasonably and in good faith to comply with the Act. According to a March 24, 2020, memorandum from the DOL Wage and Hour Division, an employer in violation of the FFCRA acts reasonably and in “good faith” when (1) the employer remedies any violations, including by making all affected employees whole, as soon as practicable; (2) the violations were not “willful” (i.e., the employer did not know or show reckless disregard for the matter of whether its conduct was prohibited); and (3) the DOL receives a written commitment from the employer to comply with the FFCRA in the future.

**Tax Credit**

Similar to the tax credit afforded to employers for Public Health Emergency Leave, the Emergency Paid Sick Leave Act also provides a payroll tax credit for the Emergency Paid Sick Leave Act to cover the cost of the paid leave. Notably, certain “self-employed individuals” may also obtain benefits and tax credits under the Emergency Paid Sick Leave Act.

The March 20, 2020, joint press release by the IRS, DOL, and Department of Treasury indicates that under the anticipated guidance, employers who pay qualifying sick or child-care leave will be able to retain an amount of the payroll taxes equal to the amount of qualifying leave that they paid, rather than deposit those amounts with the IRS under the traditional scheme. The payroll taxes that are available for retention include withheld federal income taxes, the employee share of Social Security and Medicare taxes, and the employer share of Social Security and Medicare taxes concerning all employees. Notably, if there are not sufficient payroll taxes to cover the cost of qualified sick and child-care leave paid, employers will be able to file a request for an accelerated payment from the IRS. The IRS expects to process those requests in two weeks or less.

Additional information on this program is expected to be posted here.

**Health and Safety Policies**

This section provides guidance to employers on handling key workplace health and safety issues regarding the coronavirus.

**Preventing and Responding to Coronavirus Outbreaks in the Workplace**

In general, employers should establish clear policies for dealing with health issues related to the coronavirus. The Centers for Disease Control and Prevention (CDC) has convenient question and answer sheets for this purpose that employers can post prominently so that employees have accurate information about COVID-19.

The Occupational Safety and Health Administration (OSHA) has issued non-mandatory coronavirus guidance encouraging employers to, among other things:

- Develop an infectious disease preparedness and response plan (e.g., identifying potential sources of infection in and outside of the workplace, identifying and implementing controls to reduce exposure, such as use of personal protective equipment, preparing for increased absenteeism and supply chain disruptions, and considering downsizing or closing operations)
- Prepare and implement basic infection prevention measures (promoting hand washing, covering coughs and sneezes, and social distancing, and encouraging employees to stay home if they are ill)
- Develop procedures for prompt identification and isolation of ill employees/visitors
- Consider and implement flexible work arrangements, such as working from home, reduced hours, alternating schedules—and–
- Follow existing OSHA standards, particularly taking additional measures to maintain a clean and sanitary workplace

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34. https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
35. https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
36. https://www.dol.gov/newsroom/releases/osec/osec20200320
37. https://www.dol.gov/agencies/whd/pandemic/ffcra-questions
38. https://www.dol.gov/newsroom/releases/osec/osec20200320
39. See Also Coronavirus Outbreaks in the Workplace
40. See What you need to know about coronavirus disease 2019 (COVID-19) and What to do if you are sick with coronavirus disease 2019 (COVID-19) 2021-05-26
41. See Guidance on Preparing Workplaces for COVID-19. See also OSHA’s COVID-19 webpage and Prevent Worker Exposure to Coronavirus (COVID-19)
The risk of work-related infection will vary based on the nature of each work environment. For example, employees in hospital or other health care settings may be at increased risk of infection if the employer cannot provide appropriate personal protective equipment or otherwise take steps to mitigate the risk. Moreover, these employers must ensure compliance with standards that are unique to these work environments, such as OSHA’s bloodborne pathogen standard.42 On the other hand, employees in a manufacturing setting may have little contact with each other on a daily basis, in which case practicing proper hygiene and “social distancing” may suffice.

If an employer confirms that an employee tested positive for COVID-19, it should consider whether to record the exposure on the OSHA 300 log. Generally, a COVID-19 case will be a recordable illness if the employee contracted the infection as a result of performing his or her work-related duties. Employers must analyze each exposure on a case-by-case basis in light of each employee’s job duties and the resulting effects of the infection (e.g., medical treatment received, days away from work, and restriction posed by the infection). In many cases, it will not be possible to determine whether an employee contracted COVID-19 at work.

What if Employees Are Hesitant to Come to Work?

Employers should anticipate that, under certain circumstances, employees may refuse to work based on concerns over COVID-19. If the employee’s concern for his or her safety or well-being is reasonable and raised in good faith, the Occupational Health and Safety Act protects the employee from retaliatory actions. Determining whether the employee’s concern is reasonable will require careful consideration of the circumstances of his or her job requirements. For example, if the employee will need to travel by airplane or other mass transit for work or if the work would require working in large groups, then his or her fear of contracting the virus might be reasonable based on the latest CDC guidance. Employers should consider alternatives and any administrative or engineering controls that may reduce or eliminate the risk altogether.

Can Employers Prevent Employees from Coming to Work?

Absent an agreement with an employee or a collective bargaining agreement that restricts the employer’s authority to dictate hours of work, levels of production, or similar issues, an employer is typically free to send employees home from work. To the extent that employees can work remotely, OSHA encourages employers to allow telecommuting, working from home, alternating schedules, reducing work hours, or similar measures to reduce the risk of spreading COVID-19.

If an employee is diagnosed with COVID-19, an employer should prohibit that employee from coming into the workplace, consistent with the latest guidelines from public health authorities like the CDC. If the employee can work remotely, the employer should allow the employee to do so. Moreover, for employees who may display symptoms of COVID-19, employers should consider taking similar actions, provided that they account for other employment laws, including the American with Disabilities Act. To the extent an employee who is confirmed or presumptively diagnosed with COVID-19 has been in close contact with coworkers, the employer may inform those coworkers of their potential exposure, but the employer must not disclose the employee’s identity without his or her written consent.

Americans with Disabilities Act (ADA) Issues

Even during a pandemic such as COVID-19, employers should still be conscious of their obligations to their employees and to the public so as not to impede on rights, including those related to public accommodations and employee health.

In light of the ongoing COVID-19 pandemic, the U.S. Equal Employment Opportunity Commission (EEOC) has offered guidance43 on the relaxing of certain requirements related to the Americans with Disabilities Act (ADA) and the Rehabilitation Act.44

Many employers have begun taking body temperatures of employees and on-site visitors. Because the CDC and other state/local health authorities have acknowledged community spread of the coronavirus and have issued attendant precautions, employers may measure body temperatures of employees and visitors. Similarly, employers may screen applicants for symptoms of COVID-19 after making a conditional job offer and may take an applicant’s temperature as part of a post-offer pre-employment medical exam. Employers should be cautious, however, as many infected individuals do not exhibit symptoms such as a fever.

Employers that are dealing with sick employees may ask employees if they are experiencing symptoms of COVID-19 such as fever, chills, cough, shortness of breath, or sore throat. Similarly, employers may require employees returning to work following an illness to provide a fitness for duty certification from a physician, though the EEOC recommends that employers evaluate new approaches given that many medical facilities and doctors are inundated with cases. Employers must maintain all information about employee illness as part of a confidential medical record in compliance with the ADA.

Before visitors come on site, employers may want to evaluate whether it is feasible to have those visitors complete a questionnaire, including questions on the individual’s recent travel, contact with individuals exposed to COVID-19, or whether he or she is currently showing symptoms of, awaiting test results for, or is diagnosed with the coronavirus.

42. See 29 C.F.R. § 1910.1030. 43. See What You Should Know About the ADA, the Rehabilitation Act, and COVID-19. 44. See What You Should Know About the ADA, the Rehabilitation Act, and COVID-19.
Employers should also be cautious not to run afoul of any state-equivalent statutes to the ADA, such as California’s Fair Employment and Housing Act, which may have stricter or different requirements or considerations. Additionally, employers should also consider whether they must make disclosures under privacy acts such as the California Consumer Privacy Act (CCPA) about the collection of any information from employees or visitors, including temperatures or other information.

Wage and Hour Issues

Federal and state wage and hour laws have not changed in the COVID-19 environment. However, wage and hour laws may impact a number of actions employers may consider today in reaction to the coronavirus outbreak.

Employers considering temporary or permanent layoffs must consider any state-specific requirements related to payment of final wages, bonuses, commissions, and accrued but unused vacation time. The timing of these payments and what must be included in them or may be excluded from them varies from one state to another. For example, employers in California and Massachusetts must generally pay final wages to a terminated employee immediately upon termination, whereas an employer in Texas must generally pay final wages to a terminated employee no later than the sixth day after the date of termination.

Similarly, employers considering other cost-saving measures, like reduced work hours, wage/salary reductions and furloughs may help reduce labor costs, they are not risk-free propositions. For example, reducing employee’s work hours by more than 50% over the course of several months can trigger the notice requirements under the Worker Adjustment and Retraining Notification Act (WARN). The selection of employees for reduced schedules or other cost-saving measures also can create the potential for disparate treatment and/or disparate impact claims. Employers should use objective selection criteria to reduce these risks.

Likewise, a furlough or reduced work schedule may jeopardize the exempt status of salaried exempt employees under the FLSA, which could then trigger minimum wage and overtime pay requirements. Employers should instead consider the following measures to reduce risk of non-compliance with the FLSA.

- **Full-week shutdowns.** A full-week shutdown avoids improper salary deductions and complies with the FLSA because employers must only pay exempt employees their salary for weeks in which they perform work. If an exempt employee performs no work during an entire workweek, the employee is not entitled to a salary for that workweek. Employers that implement this option also must prohibit exempt employees from performing any work during the shutdown and should consider eliminating an employee’s ability to work remotely (e.g., by eliminating email access or remote connectivity). If an employee nevertheless performs work, the employer must pay the corresponding salary but may discipline the employee for violating the no-work directive.

- **Reduced workweek and pay.** A prospective reduced workweek coupled with a reduction in salary may avoid violations of the salary basis test under the FLSA, provided the salary reduction is a bona fide change reflecting long-term business needs. Before implementing any changes, employers considering this option should, at least one week in advance, notify affected employees in writing of the reduced workweek and salary plan. Employers should also keep in mind potential notice requirements under state or local law, as well as potential issues in eligibility for health care coverage for employers utilizing an Affordable Care Act lookback measurement period method for variable hour employees.

- **Reduced pay without a reduced workweek.** Unless prohibited by an agreement or state or local law, an employer is typically free to set salary/wage rates at any level (subject to minimum wage and salary requirements). A prospective reduction in employee salaries generally does not violate the FLSA if it is a bona fide change reflecting long-term business needs. However, employers should be mindful of employment agreements or other contracts providing, for example, that a reduction in salary/compensation may trigger resignations “for good reason,” which require the payment of severance benefits.

- **Requiring use of vacation time.** The FLSA does not address use of vacation or paid time off, so employers generally are free to require use of paid time off in accordance with their policies or practices. However, some states impose restrictions on mandatory use of vacation or paid time off. So employers should consider any such requirements before requiring use of vacation or paid time off as a cost-saving measure. Moreover, practically speaking, this option likely does not lead to immediate cost savings; employees are simply substituting paid time off for actual work.

Employers that sponsor foreign workers should also consider whether they must report furloughs or reductions in hours or pay to the United States Citizenship and Immigration Services (USCIS) or DOL. In some instances, these employers cannot change the essential terms and conditions of a foreign worker’s employment without first notifying USCIS and/or the DOL.

Employers must always consider whether any state wage and hour laws limit their ability to impose a desired cost-saving measure.
Telecommuting Employees

Under the current COVID-19 circumstances, and even more generally, employers may require employees to work from home. However, there are numerous aspects of employment laws and regulations which employers cannot ignore when it comes to remote employees.

First, employers may not discriminate regarding any protected category when they assign employees to work remotely. Second, various state and federal laws still apply. In fact, legal and practical implications applicable to telecommuting employees may surpass those applicable to in-office employees. For example, an employee who works from home may need additional or other resources not available in his or her office location, such as ergonomic chairs or work stations that allow the employee to stand while working. Provided it does not present the business with undue hardship, employers will need to accommodate workers with those sorts of needs. It should be noted that the EEOC has indicated delays in providing accommodations may be excusable.

Also, the Occupational Safety and Health Act (OSHA) continues to apply to employees who work remotely. While OSHA authorities indicate it will not inspect home work locations and will not hold employers responsible for accidents and injuries which occur there, nonetheless employers must still abide by OSHA reporting requirements, such as 300 logs.

In addition, with regard to employees working remotely, employers must continue to comply with other aspects of the law already applicable to all of their employees. For example, employees who work remotely remain entitled to statutory and regulatory meal and rest breaks as well as the benefits of overtime pay.

Employers also need to pay attention to cybersecurity issues attendant to telecommuting employees.

Finally, all employers need to understand that the current circumstances and legal implications are in flux and changing daily, if not hourly. Employers need to monitor closely legal developments and consult with counsel as they arise.

Business Travel

Employers should consider suspending all nonessential business travel to China, Italy, and other places with the greatest number of coronavirus cases. For employees who cannot avoid business trips, employers must make certain that their workers understand all possible risks involved. Furthermore, if a worker has a health condition and informs the employer of it, there is a risk that the employer will violate the Americans with Disabilities Act (ADA) by forcing the employee to go on the trip.

When workers return from stays in or trips to China, Italy, or other places with high numbers of coronavirus cases, employers should generally ask them to work from home for at least the 14-day incubation period of the disease. This is particularly easy to do for white collar businesses, such as finance, tech, and insurance.

For businesses that do this, it is advisable to create a paper trail clearly explaining why this was necessary. Otherwise, other employees whose jobs require them to be onsite and for whom travel is not a part of their jobs might later file a claim under the ADA that they were not offered telework opportunities due to the coronavirus outbreak. The paper trail for employees who traveled will serve as clear evidence supporting the necessity of telework for the employees who went to areas where coronavirus exposure was a strong possibility.

Privacy Issues

A potential pitfall for employers is the protection of employees’ health information. Naturally, workers are going to be concerned about working in proximity of others who have been travelling to places affected by coronavirus. HR officials who are trying to quell their fears must take care not to single out any particular person and say anything like, “We’re going to have him screened;” and instead, assure people that all steps will be taken to ensure safety with anyone who travels. If a worker is diagnosed with the coronavirus, employers should not involve themselves in the medical care or condition of other employees. It is likely that the department of public health or the CDC will come in and assess the possibility of exposure.

Contents of this article are up-to-date through March 31, 2020.

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