



EMERGENCY PAID SICK LEAVE ACT (EPSLA)

WHAT: Up to 80 hours (2 weeks) of paid sick leave for employees who are unable to work (or telework) for certain covered purposes related to and arising out of the COVID-19 public health crisis. Part-time employees entitled to leave for average number of work hours in a two-week period.

ELIGIBILITY: Applies to ALL employees, both part-time and full-time, regardless of his/her length of service time.

DOES THIS APPLY TO ALL BUSINESSES: Any business with fewer than 500 employees. There is a limited exemption for businesses with fewer than 50 employees. See Note Below Re: Small Business Exemption.

WHAT DOES IT COVER AND HOW MUCH ARE EMPLOYEES PAID: There are two categories of sick leave with different pay rates.

- **Category 1:** Employees qualifying under this category should be paid regular rate of pay, but no employee may receive more than \$511 per day, or \$5,110 in the aggregate. Employee must be unable to work (or telework) because such employee:
 - o is subject to a government ordered quarantine order related to COVID-19;
 - o has been advised by a healthcare provider to self-quarantine due to COVID-19; or
 - o is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
- **Category 2:** Employees qualifying under this category should be paid 2/3 regular rate of pay, but no employee may receive more than \$200 per day, or \$2,000 in the aggregate. Employee must be unable to work (or telework) because such employee is:
 - o caring for a person (i) subject to a government ordered quarantine order related to COVID-19; or (ii) who has been advised by a healthcare provider to self-quarantine due to COVID-19;
 - o caring for their child because the child's school or place of care has been closed, or the child's normal babysitter or care provider is unavailable due to COVID-19 precautions; or
 - o experiencing any other substantially similar condition specified by Department of Health & Human Services (Federal).

HOW DOES THIS WORK WITH OTHER TYPES OF LEAVE: Under the Emergency Family and Medical Leave Expansion Act, the first 10 days of leave are unpaid. Employees are able to substitute EPSLA provided hereunder for that initial 10 day period. Also, employees are permitted to use EPSLA before using any other sick leave, vacation or PTO they may have.

POSTING REQUIREMENT: All employers are required to post and keep posted notice of EPSLA where all other labor notices are typically posted. Department of Labor approved posters will be available shortly.

GUIDANCE FROM PERMANENT EQUITY

IF AN EMPLOYEE PROVIDES NOTICE OF OR ASKS FOR EPSLA:

- **First Step:** Please first speak with the employee and see if there is an alternative arrangement that can be reached. The government has encouraged both employers and employees to be flexible. However, health of the employee and the organization is most important. Also, see note below if you have less than 50 employees.
- **Elevate Request:** The request should immediately be elevated to the senior team within the organization. Notice should also be provided to your Permanent Equity portfolio partner (Susanne, Emily or Mark).
- **Documentation:** Employees must provide in support of your paid sick leave as specified in applicable IRS guidance. Please contact your Permanent Equity portfolio partner (Susanne, Emily or Mark) to discuss.
- **Record Keeping:** PLEASE RETAIN ALL RECORDS IN SUPPORT OF THE REQUEST AND PAYMENTS MADE DURING LEAVE. Tax credits are available for wage payments to employees on leave. Provide to Tim Hanson or Permanent Equity portfolio partner (Susanne, Emily or Mark).
- **Anti-Discrimination/Retaliation:** Please keep in mind that employers are not permitted to "discharge, discipline, or in any other manner discriminate against" an employee who takes EPSLA. We want to be as receptive as possible, while still protecting the business.

CORONAVIRUS GUIDANCE FOR PERMANENT EQUITY AND ITS COMPANIES

EXEMPTION FOR PE COMPANIES WITH LESS THAN 50 EMPLOYEES

- You may be exempt from this law. However, it only exempts an employer from providing EPSLA where an employee claims that he/she is unable to work (or telework) due to school or place of care closures or childcare provider unavailability for COVID-19 precautions (Category 2 above) and providing the employee with leave would jeopardize the viability of the small business as a going concern. PE Companies are encouraged to use this exemption in good faith and in consultation with Permanent Equity portfolio partner.
- IN ORDER TO TAKE ADVANTAGE OF THIS EXEMPTION:
 - **Member of Senior Management Must Document and Place in File of Employee That the Request Was Denied Because (CHOOSE THE MOST APPLICABLE REASON):**
 - (1) The absence of the employee requesting expanded family and medical leave would entail a substantial risk to the financial health or operational capabilities of the business because of their specialized skills, knowledge of the business, or responsibilities; OR
 - (2) 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 requesting expanded family and medical leave, and these labor or services are needed for the small business to operate at a minimal capacity.