



## ***Teamsters Union Legislative Update: COVID-19***

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### **Fact Sheet:**

#### **Families First Coronavirus Act (H.R. 6201)**

#### **Coronavirus Aid, Relief, and Economic Security Act (CARES) Act (H.R. 748)**

To date, two comprehensive stimulus bills have been passed by Congress and signed by the President to address the Coronavirus pandemic. The first is called The Families First Coronavirus Response Act (H.R. 6201 - Families First Act). The second is the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748 - CARES) Act.

#### **Unemployment Insurance Provisions (H.R. 748):**

Expands eligibility for unemployment insurance to include workers not traditionally covered - self-employed workers, independent contractors, freelancers, workers seeking part-time work, and workers who do not have a long-enough work history to qualify for state UI benefits. Increases maximum number of weeks (usually 26) that an individual can receive unemployment benefits by an additional 13 weeks. Provides financial incentive for states to waive the one week "waiting period" for benefits. Funds an additional \$600 per week on top of the unemployment amount determined by each state. See your [state level Department of Labor website](#) for additional guidance.

#### **Mandated Paid Sick and Family Leave (H.R. 6201)**

***Paid Sick Leave:*** All public employers and private employers with 500 or fewer employees are required to provide two weeks paid leave for employees (part-time or full) to address their own coronavirus related illness or quarantine, to care for someone ill with coronavirus or quarantined, or to care for a child that is home due to a coronavirus-related school closure, or an unavailable child care provider. Paid sick leave is available for immediate use and does not require a waiting period or accrual. Benefits are not retroactive. An employer may not require an employee to use other paid leave provided by the employer before the employee uses the paid sick time provided under H.R. 6201.

***Additional Paid Family Leave:*** All public employers and private employers with 500 or fewer employees are required to provide twelve weeks (10 beyond what is called for above) paid leave for employees (part-time or full) if the employee is unable to work due to a need to care for their child because their school or day care has been closed or their child care provider is unavailable due to the Coronavirus public health emergency.

Provides for job protection during the time that this leave is taken. Benefits are not retroactive. Employee must have worked for the employer for at least 30 days. An employer of an employee who is a health care provider or emergency responder may elect to exclude such an employee.

For both types of leave, authority is given to the Secretary of Labor to exclude certain health care providers or emergency responders from the definition of eligible employees and to exempt small businesses with fewer than 50 employees, if compliance with the requirements would jeopardize the viability of the business as a going concern. Further guidance was recently released and can be found at [DOL.gov](https://www.dol.gov).

### **Individual Stimulus Checks (H.R. 748)**

Individuals with an adjusted gross income of \$75,000 or less will be eligible for up to \$1,200 (\$2,400 for joint tax returns) and \$500 for each qualifying child under age 17. The payments will start to phase out for Americans who earn more than \$75,000 or \$150,000 for a joint return. For individuals who used direct deposit to receive a tax rebate in the past, the stimulus checks will be deposited directly to your account. Otherwise, go to [IRS.gov](https://www.irs.gov) to provide necessary information to receive your check. On 3/29, Treasury Secretary Mnuchin estimated that the checks would be deposited within 3 weeks. Further information will be available soon on [IRS.gov](https://www.irs.gov).

### **Consumer Protections (H.R. 748)**

Prohibits foreclosures of federally backed mortgage loans for 60 days. Up to 180 days of forbearance provided for borrower of a federally backed mortgage loan who has experienced a financial hardship related to COVID-19. Provides up to 90 days forbearance on multi-family properties with federally backed loans. Borrowers receiving forbearance may not evict or charge late fees to tenants during forbearance period. If a landlord's mortgage on rental property is insured or assisted in any way by HUD or various other federal entities, the landlord may not evict tenant.

### **Direct State and Local Government Assistance (H.R. 6201 /H.R. 748)**

**General:** Provides \$150 billion to states, territories, local and tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines. Funds will be allocated by population proportions, but no state shall receive a payment for fiscal year 2020 that is less than \$1.25 billion. Funds can be used for costs that are necessary expenditures incurred due to COVID-19 that were not accounted for in the budget most recently approved and were incurred during the period that begins March 1, 2020, and ends Dec. 30, 2020.

**UI Administration Costs:** Provides \$1 billion in emergency grants to states to provide and process unemployment insurance, including 100% federal funding for extended benefits in states with a 10% or higher unemployment rate.

**Medicaid:** Increases Federal Medicaid funds to states and territories by increasing the FMAP percentage for each state and territory by 6.2 percent. To receive the FMAP increase, states must provide coverage without cost-sharing for COVID-19 testing and testing-related services during the emergency period.

**Education:** Includes an Education Stabilization Fund of \$30.75 billion. Just under 44% of that money is allocated to elementary and secondary schools. This money will be granted to states and then sub-granted to local school districts and charter schools. About 46% of the money will be allocated to

institutions of higher education. Educational agencies, states, higher education institutions, and any other entity that receives money from the Education Stabilization Fund must “to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.”

**Transit Systems:** Includes \$25 billion in assistance for public transportation to offset the direct costs associated with COVID-19 (e.g., cleaning costs) and significant losses in farebox revenue from reduced ridership and service. Language is included which prevents the Federal Transit Administration from waiving labor protections.

**Child Care:** \$3.5 billion provided in grants to states for immediate assistance to childcare providers, but also to financially support child-care for families, including for healthcare workers, first responders, sanitation workers and other workers who have been deemed essential during the response to COVID-19 by public officials.

### **Airline and Other Distressed Industries (H.R. 748)**

\$500 billion in loans and grants is made available for relief to hard-hit industries. About \$61 billion of that is reserved for the airline sector specifically, including \$25 billion in grants and \$25 billion in loans to passenger airlines, \$4 billion in grants and \$4 billion in loans to cargo airlines, and \$3 billion in grants to airline contractors. Grant money to airlines can only be used to pay worker wages and benefits. The federal government cannot condition these grants or loans on the renegotiation of collective bargaining agreements as they did after the 2008 financial collapse, when union concessions were a prerequisite that had to be met by some companies looking to receive bailout funds.

Until September 30, 2020, businesses receiving aid from the \$500 billion fund must maintain existing employment levels “to the extent practicable” and may not reduce employment levels by more than 10 percent.

Mid-sized businesses (500 to 10,000 employees) seeking assistance must certify that they will not offshore or outsource jobs for the term of the loan and two years after completing repayment, not abrogate existing collective bargaining agreements for same period of time, and remain neutral in any union organizing effort for the term of the loan.

Some corporate governance provisions are provided. Stock buybacks or dividends are not permitted until 12 months after the loan is no longer outstanding. No executive pay increases are permitted for 2 years. “Golden parachutes” are limited to double 2019 compensation. The bill creates a special inspector general to oversee pandemic recovery. That person, along with a special committee, would provide oversight of all loans and other uses of taxpayer dollars.

The bill also provides a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the crisis. To qualify, employers must have fully or partially suspended operations due to the crisis, or have seen gross receipts decline by more than 50 percent compared to the same quarter in 2019. Further guidance is expected shortly on all of these programs and will be found on [Treasury.gov](https://www.treasury.gov).

### **Railroad Worker Support (H.R.748)**

Slightly over \$1B provided to Amtrak to operate passenger rail service on Northeast Corridor, state-supported, and long-distance routes, and to protect Amtrak workers. This includes \$239 million to

assist states in making FAST Act required payments to Amtrak for state-supported routes. Funds include some worker protections for furloughed workers. In addition, Amtrak may not receive waivers of Davis-Bacon or Buy America, nor may it violate the RLA, RRA or RUIA.

Provides parity to rail workers who receive Railroad Unemployment instead of state administered programs. This includes providing administrative funding to RRB and waiving the 7-day waiting period for unemployment and sick benefits, both of which were given to workers who receive regular UI, but not railroaders, in H.R. 6201. The final agreement contains an increase in administrative funding to \$5M. Additionally, this legislation provides both the extended and increased benefits offered through UI programs to RUI. This will include an additional \$1200 every two weeks, on top of regular RUI. These benefits will be available until \$425 million is expended.

### **Support for Small Business and Non-Profits (H.R. 748)**

\$349 billion is provided for loans to small businesses (500 or fewer, or meet current SBA size standards), certain nonprofit organizations with 500 or fewer employees, and businesses in the accommodation and food sector that employ not more than 500 employees per physical location. Loan may equal up to 250 percent of an employer's average monthly payroll. Loan is forgiven if employer maintains payroll, up to the amount the borrower spends on payroll, mortgage interest, rent and utility payments. Retroactive to 2/15/20.

\$10 billion for Small Business Administration (SBA) emergency grants of up to \$10,000, and \$17 billion for SBA to cover 6 months of payments for small businesses with existing SBA loans. Further guidance was recently released and can be found at [SBA.gov](https://www.sba.gov).

### **Hospitals and Health Care Capacity and Access to Testing (H.R.748/H.R. 6201)**

**Hospitals:** \$100 billion for a new program to provide grants to hospitals and other entities to cover unreimbursed health care related expenses or lost revenues attributable to the coronavirus health emergency. \$185 million to support rural critical access hospitals, rural tribal health and telehealth programs. \$1.5 billion for expansion of military hospitals and expeditionary hospital packages.

**Strategic National Stockpile (Medical Supplies):** \$16 billion for supplies of pharmaceuticals, personal protective equipment, and other medical supplies.

**CDC:** \$4.3 billion for federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including \$1.5 billion to support states, locals, territories, and tribes in their efforts to conduct public health activities, including: purchase of personal protective equipment, surveillance for coronavirus, laboratory testing to detect positive cases, contact tracing to identify additional cases, and infection control and mitigation at the local level to prevent the spread of the virus.

**Veterans:** \$15.85 billion in order to support an increase in demand for VA services specific to coronavirus.

**Public Access to Testing:** Private insurance plans must cover testing for COVID19 and any future vaccine without cost sharing.