



# Two Trillion Dollars CARES Act

- “Coronavirus Aid, Relief, and Economic Security (CARES) Act”
- (for Families First ‘paid sick leave’ & ‘paid family leave’ & new/extended California benefits, see [www.unioncounsel.net](http://www.unioncounsel.net) )

# Big Picture: The US Treasury as a Giant Costco Warehouse

- Benefits Directly to Workers
  - The Check is in the Mail
  - Unemployment Benefits
  - Defined Contribution Retirement Plan Loans & Hardship Withdrawals
- Benefits Indirectly to Workers via Employers
  - Paycheck Protection Program
  - Loans to Employers
  - Particular Industry Benefits (Airlines, Health Care, Public Sector, etc.)
- Additional Benefits
  - Student Loans
  - Eviction Protection
  - Veterans, Higher Education, K-12, Mortgages, etc.



# DIRECT BENEFITS

# Don't Forget Paid Ca. Paid Sick Leave(2 weeks) & Paid Family Leave(6 weeks)

- If
  - You are subject to quarantine or isolation order related to COVID 19, or
  - You are advised by a health care provider to self-quarantine, or
  - You are experiencing symptoms and seeking medical diagnosis, or
  - You are caring for someone subject to quarantine or with symptoms, or
  - You are caring for children because schools closed due to COVID 19, or
  - You are experiencing ‘any other substantially similar conditions’
- You are eligible if you fulfill **any 1** of these 6 conditions

# Federal Cash "Rebates"

- 1. Intent:
  - 1. \$1200 per individual, \$2400 for married couple, \$500 for each child (16 or under): one payment
  - 2. For those earning up to \$75,000 a year, tapers down to \$99,000, (h/h: \$112,500), (\$150,00 cap for joint filers); nothing for those who earn more
- 2. To get it, you must file tax return; if not in 2018, file 2019 right away
- 3. Coming "next two or three weeks" vs. "at least six to eight weeks"
- 4. Direct deposit or mailed to address on tax return
- 5. Letter will arrive saying where/when; if not, contact IRS
- 6. Tax free
- 7. Social Security recipients & Disability recipients get it too
- 8. All wage garnishments stop, except child support

# Unemployment Benefits

- \$250 Billion for more UI than already provided
- Already receive 60 to 70% of wages for 26 weeks
- This law adds:
  - 1. additional \$600/week for up to 4 months, through July 31
  - 2. additional 13 weeks (so up to 39 weeks) at regular rate

# Unemployment Benefits for Formerly Ineligible

- Extends eligibility to self-employed, gig workers, independent contractors, freelancers
  - Amount based on previous income formula
- Eligibility for Part time workers, furloughed employees who can't work due to 'shelter in place'
- Extends eligibility to newly employed who lost work due to Covid-19 furlough
- For these "new categories", Pandemic Unemployment Assistance will be  $\frac{1}{2}$  average state benefits + \$600/week through December, 2020
- (and reduced benefits for "substantial reduction in hours" still valid)

# Who Is Not Eligible for UI?

- 1. Workers still working (from home or in workplace)
- 2. Workers receiving paid sick leave or paid family leave
- 3. New entrants to work force who have no work history and cannot find a job
  - (perhaps all the older college students whose schools have shut down; but work-study money provided if they were already in such programs)



# How to Get UI Benefits

- Apply at
  - [www.edd.ca.gov](http://www.edd.ca.gov)
- When in doubt, apply – the EDD will make determinations
- Cal Leg Analyst Office suggests w/no waiting period, benefits may be sent without full analysis of application

# 401k etc. Hardship Withdrawals (also IRAs, most Defined Contribution Plans)

- Employee may 'self attest' to financial crisis
- Employee may withdraw up to \$100,000
- No 10% penalty if younger than 59.5 years old
- If not a Roth IRA, you have 3 years to pay taxes on this withdrawn amount or to put it back in account w/o taxes)
  
- (Or loan, up to \$100,000, repay within 5 years, at interest rate that is currently about 4.75%, if Fund allows loans)
- And a one year extension on existing loans due this year from your DC Plan

# Other Retirement Plan Benefits

- No RMDs (Required Minimum Distributions for those over 70.5 or 72 in 2020)



# INDIRECT BENEFITS

# Indirect Benefits to Workers

## “Paycheck Protection Program” (\$350 Billion)

- For any “small” employer w less than 500 total employees (FT & PT)
- Loans from SBA to Bank to employer up to \$10 million
- Forgivable (become free grants) for the amount used to pay salaries, leave benefits, health benefits, rent, retirement obligations, utilities until June
  - Available to both for-profit and non-profit organizations (501c3’s, etc.)
  - Available to self-employed individuals as “paycheck loans” (!)

# Emergency Injury Disaster Relief Loan Grants (\$10 Billion)

- Up to \$2 Million Loan
- Includes an advance of up to \$10,000 ASAP to pay wages, sick leave, etc.

# Indirect Benefits to Workers

## Tax Credits to Non-PPP Employers

- Employer does not get Paycheck Protection Program Loan
  - Funds run out, faulty application, bad credit rating, etc.
- 100% tax credits equal to half of each employee's wages up to \$10,000 per employee

# Indirect Benefits to Workers: Loans to Medium-Sized Businesses

- Loans directly from Treasury to companies w/ 500 to 10,000 employees – with conditions:
  - 1. loans available for up to 5 years
  - 2. loans listed publicly
  - 3. “good faith certification” to “remain neutral in any union organizing effort during the term of the loan”
  - 4. must abide by Collective Bargaining Agreement if they have one
  - 5. at least 90% of loan must be used to retain 90% of workforce at full compensation until 9/30/20
  - 6. banned from offshoring any jobs for at least 2 years after loan repayed



# Airline Industry Workers

- Heavy lobbying by IAM, TWU, SEIU, UNITEHERE, etc.
- \$32 Billion expressly for airline industry **workers**, through Sept 30
  - \$25 Billion for 750,000 airline industry workers
    - (eg, at American/United/SWA, 80-85% workforce unionized)
  - \$4 Billion for cargo airline workers
  - \$3 Billion for contractors: 22,000 food service workers, janitors, cleaners, security workers, wheelchair operators
- Unions will provide guidance & leadership on accessing these funds and getting them to workers

# Public Sector Benefits

- \$150 Billion to **local governments** to reimburse for unexpected Covid-19 expenses to the end of the year
- \$45 Billion to **State/Local governments** for disaster relief
- \$25 Billion to **Transit Agencies** for operating expenses, lost revenue, PPE, and paying for leave during service reductions
- \$30.75 Billion for Education Sector
  - \$13.5 Billion to **K-12** for Covid-10 expenses & keeping teaching going
  - \$14.25 Billion for **Higher Education** for student aid, responding to Covid-19, backfilling lost revenue, etc.
  - \$38 Billion to **States** to help schools & colleges keep operating
- \$5 Billion to Community Development Fund

# Indirect Benefits for Workers (Benefits to Employers re Healthcare)

- \$100 Billion to health care providers for health care-related expenses/lost revenues
- \$27 Billion (through 2024) for vaccine development, vaccine purchases; to fund workforce modernization (?!), telehealth access
  - \$16 Billion must be used for products for Strategic National Stockpile (PPE, drugs, drug administration equipment, vaccines, medical devices)
  - \$180 Million for rural telehealth and activities
- \$1.32 Billion more for Community Health Centers
- Additional funds for Medicare improvements
  - Certain Medicare services paid at 100% instead of 70%
- Increased funding to States for Medicaid
  - Non-expansion States can use it for uninsured adults for COVID-19 services
  - Low income pregnant women can be covered, too, etc.
- \$79.5 Million per year to improve health care delivery to rural underserved populations

# Indirect Benefits to Workers

## Health Plan Benefits

- 1. Health plans directed to pay labs full published rates for COVID-19 testing (full disclosure to prevent gauging)
- 2. Health plans must provide COVID-19 “preventive services” such as services & immunizations recommended by CDC
- 3. HDHP w HSAs can cover telehealth services before patient reaches deductible limit

# Indirect Benefits to Workers (More Money for Employers)

- \$1 Billion to Defense Dept to increase manufacture of PPE & medical equipment for healthcare workers
- \$1.5 Billion to triple 4,300 beds in military facilities
- \$1 Billion for tribal health systems
- \$4.3 Billion to CDC to combat & contain virus
- \$9.5 Billion for Agricultural Producers



# OTHER BENEFITS FOR WORKERS & THEIR FAMILIES

# Food Assistance

- \$15.5 Billion for Supplemental Nutrition Assistance Program (SNAP) – Food Stamps
- \$8.8 Billion for Child Nutrition Programs
- \$450 Million to Food Banks

# Student Loans

- For **Federal government** loans
  - 1. already waived 2 months payments and interest
  - 2. now , all payments suspended until September 30
  - 3. no interest for this suspension period should be charged
  - 4. abysmally run program, so watch loan notices closely
  - 5. Employers may offer up to \$5250 to help repay loans, and won't be counted towards income ; includes tuition payments for classes by employer
- No such program yet for Perkins loans, Discover loans, Sally Mae loans, or Wells Fargo loans



# Eviction Relief for Renters

- Federal Relief
  - Temporary 4 month suspension on all evictions for failure to pay rent
  - For renters whose landlords have mortgages backed or owned by Fannie Mae, Freddie Mac, and other Federal entities
  - Landlords of these properties cannot charge penalties or fees for failure to pay rent during this suspension
- California Relief
  - No evictions through at least May 31<sup>st</sup> if non-payment related to Covid-19 Crisis
  - No eviction enforcement by law enforcement or Courts
    - (in other words, the Sheriff is NOT coming)

# Mortgage Relief for Homeowners

- Federal Relief
  - Homeowners w/ FHA, VA, USDA, 184/184A mortgage, or one backed by Fannie Mae or Freddie Mac
  - Eligible for 6 month forbearance on mortgage payments, w/ possibility of another 6 months
  - Will have to pay it later; so may want to keep paying if possible
- California Relief
  - 90 day grace period for payment of mortgages (all) – work w “loaner”
  - For at least 60 days, no foreclosures or evictions
  - For at least 90 days, waiver or refund mortgage-related late fees

# Child Care Development Block Grant

- \$3.5 Billion for child care programs to maintain critical operations
  - To meet emergency staffing needs
  - To ensure first responders, health care workers, sanitation workers, and others deemed “essential workers” can access child care

# Veterans Affairs

- \$16 Billion to help cover treatment of veterans for coronavirus
  - For VA Hospitals, and Community Urgent Care Clinics & Emergency Rooms
  - For VA: to cover overtime for clinical staff; purchase of PPE, test kits, equipment to treat vets for virus-related maladies

# Charitable Contributions

- For 2020
- Charitable Contributions to PUBLIC CHARITIES
- Full 100% deduction from adjusted gross income on 2020 taxes
- Mostly a tax break for the wealthy who give some portion of their income to public charity – but some workers may want to make this contribution and take this deduction; if working right through the whole crisis

# Cost of Utilities: Keeping the Lights on and the Home Heated

- \$900 Million for the Low Income Home Energy Assistance Program
  - To help low income households with heating, lighting, energy-related home repair & maintenance
- \$600 Million in Community Services Block Grants to States, which can be used to cover utility costs

# Additional Information

- [www.unioncounsel.net](http://www.unioncounsel.net)
  - Recorded Webinar re Families First & California relief laws
  - Covid 19 one page 'cheat sheets' & FAQs
- [www.covid19.ca.gov](http://www.covid19.ca.gov)
- [https://www.feinstein.senate.gov/public/index.cfm/press-releases?ContentRecord\\_id=F85A3E6B-1FDA-4F73-92A0-587015A47E4C#cashpayments](https://www.feinstein.senate.gov/public/index.cfm/press-releases?ContentRecord_id=F85A3E6B-1FDA-4F73-92A0-587015A47E4C#cashpayments)
- [https://www.sbc.senate.gov/public/\\_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf](https://www.sbc.senate.gov/public/_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf)