



Navigating Household Employment During the COVID-19 Pandemic



About GTM Payroll Services

- Founded in 1991
- Provide payroll, tax, and insurance services for families with household help
- Process \$1B in payroll for 44,000 employees every year

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**Are my household
employee and I considered
essential?**

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- Essential workers defined by state or local authorities
- Examples include healthcare, public safety, utility, food and agriculture, and financial institutions
- New York: childcare is an essential service
California: childcare workers are essential when watching children of essential workers

Can my employee file for unemployment, even though I'm not letting my employee go?

Can my employee file for unemployment, even though I'm not letting my employee go?

- They can:
 - File a claim for any week when they perform no work and are not paid
 - File a claim for partial benefits for any week where they work for you but at a reduced number of hours.
- States may allow unemployment claims if:
 - Employee is quarantined and expects to return to work
 - Employee leaves work due to risk of exposure

What is the Families First Coronavirus Response Act (FFCRA)?

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- Signed into law last week by President Trump
- Provides paid leave to all employees
- Expands FMLA to small employers
- Offers job protection for employees
- Provides tax credits to employers to offset cost of paid leave

What is the Families First Coronavirus Response Act (FFCRA)?

Employees can take leave if they are:

- Quarantined or isolated subject to federal, state, or local quarantine/isolation order
- Advised by a health care provider to self-quarantine (due to COVID-19 concerns)
- Experiencing symptoms of COVID-19 and seeking medical diagnosis
- Caring for a quarantined individual
- Caring for a child whose school or place of care is closed due to COVID-19
- Experiencing any other substantially similar condition

Does my employee qualify for benefits under the FFCRA?

Does my employee qualify for benefits under the Families First Coronavirus Response Act?

- Household employees are eligible for paid sick and family leave
- 80 hours of paid sick leave
- 12 weeks of paid family leave (must have been working for you for at least 30 days)
- Benefits run from April 1 - December 31, 2020
- Dollar-for-dollar tax credit for employers

What are the benefits under the Families First Coronavirus Response Act?

What are the benefits under the Families First Coronavirus Response Act?

- Care for themselves (employee)
 - Paid regular rate of pay
 - Max of \$511/day (or \$5,110 total over 10 days)
- Care for quarantined or ill individual
 - Paid 2/3 rds regular rate of pay
 - Max of \$200/day or (or \$2,000 total over 10 days)

What are the benefits under the Families First Coronavirus Response Act?

- Care for a child home from school or daycare
 - Paid 2/3 of regular rate of pay
 - Max of \$200/day (or \$10,000 total over 2 weeks)
- Extended paid family leave
 - Must be employed by you for at least 30 days
 - Paid 2/3 of regular rate of pay
 - Care for child home from school or daycare
 - Max of \$200/day (\$10,000 total over 10 weeks)

How do I get the tax credits for paid leave under FFCRA?

How do I get the tax credits for paid leave under FFCRA?

- Refundable (dollar-for-dollar) payroll tax credits
- Employers retain funds normally remitted to IRS for payroll taxes
 - Federal income taxes
 - Employee share of FICA taxes (Social Security and Medicare)
 - Employer share of FICA

Can I deduct the benefits provided by FFCRA from my employee's paid sick balance?

Can I deduct the benefits provided by FFCRA from my employee's paid sick balance?

- Sick time provided by the Families First Coronavirus Response Act is in *addition to* any sick time the employee was already entitled to

**Do I continue paying taxes
during this time?**

Do I continue paying taxes during this time?

- If your employee is still working for you
 - Continue to pay/withhold the usual taxes
- If your employee is on paid sick/family leave
 - Retain taxes you would normally remit to cover qualified paid leave under FFCRA

Do states with paid sick leave cover for COVID-19 even if my employee isn't sick but I am?

Do states with paid sick leave cover for COVID-19 even if my employee isn't sick but I am?

- Paid sick leave should cover COVID-19 as an illness
- May cover employee who can't work but not diagnosed with COVID-19
 - Ex: They or a family member have been ordered (or advised by their doctor) to quarantine
- May not cover your employee if they can't work because you are quarantined

**Do I need to document when
or why my employee doesn't
come to work?**

Do I need to document when or why my employee doesn't come to work?

- Best practice to document employee's non-working time
- Keep track of:
 - Usual days worked
 - Days not worked
 - Reason for absence
 - Any communication with an employee (calls, texts, emails, etc)
- Were they paid for the sick time? Part of benefits?

**Is it okay to let my employee
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pandemic?**

Is it okay to let my employee go because of the COVID-19 pandemic?

- Employees are at-will; can be let go at any time for any reason (can't be discriminatory)
- Review work agreement; guaranteed hours
- Illnesses (like COVID-19) are considered discriminatory
- Determine if employee's job is protected and eligible for benefit payment

Is it okay to let my employee go because of the COVID-19 pandemic?

- Recognize the human element with any termination decision
- Keep lines of communication open
- Consider paying your employee if financially feasible
- Consider paid leave/unemployment benefits
- GTM clients: keep payroll account inactive

Household HR Concierge Service

GTM's household employment advisor can help with:

- Compliance with labor laws
- Mitigate risk of lawsuits and penalties over employment practices
- Termination advisement

Kristen Stangle

k.stangle@gtm.com

(518) 836-2505



Back Tax Work

If you're behind on nanny taxes, GTM can:

- Complete back tax work to bring you into compliance
- Set up payroll for your employee
- Handle your future tax obligations

Call (800) 929-9213

Resources for Household Employers

COVID-19 Resource Page

<https://gtm.com/household/resource-center/covid-19-resources-household-employers/>

GTM Household Employment Blog

<https://gtm.com/household/blog/>

State-by-State Regulations

<https://gtm.com/household/resource-center/household-employment-by-state/>

Resources for Household Employers

Families First Coronavirus Response Act: Questions and Answers

<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>

Employee Paid Leave Rights

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

Thank You!

GTM.com/Household
(800) 929-9213