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RESOURCES FOR SMALL BUSINESSES DEALING WITH COVID-19*

UNEMPLOYMENT COMPENSATION

As a result of COVID-19, the U.S. Congress significantly improved benefits and eligibility for unemployment insurance available to unemployed and underemployed workers. New laws uniformly increased the amount of unemployment insurance paid to each claimant by a flat \$600 per week for a period of up to four months of unemployment or under employment and increases the period during which a person may receive unemployment insurance benefits by up to 13 weeks, in addition to the amount the State currently offers (up to 26 weeks, in Pennsylvania).

Additionally, the law allows workers who typically are ineligible for unemployment insurance to receive it – part-time workers, self-employed workers, freelance workers and other "gig economy" workers.

You may be eligible if:

- Your employer temporarily closes or goes out of business because of COVID-19.
- Your employer reduces your hours because of COVID-19.
- You have been told not to work because your employer feels you might get or spread COVID-19.
- You have been told to quarantine or self-isolate, or live/work in a county under government-recommended mitigation efforts.

[Apply online](#)—it's the fastest and easiest way to get started.

Because of COVID-19, Pennsylvania is [waiving wait time and work requirements](#). Previously, claimants were not eligible for benefits during their first week of unemployment (the "waiting week"). This has been suspended. Claimants are not required to prove they have applied or searched for a new job to maintain their Unemployment Compensation benefits.

Do I need to fire my employees in order for them to be eligible for unemployment?

No. Unemployment benefits have been expanded, so your employees may be eligible for unemployment even if they are on unpaid leave because of COVID-19.

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SICK LEAVE REQUIREMENTS

Federal: On March 18, 2020, the U. S. Congress passed the [Families First Coronavirus Response Act \(FFCRA\)](#). The law goes into effect on April 2, 2020 and continues for the remainder of the calendar year 2020. This law includes numerous emergency measures to combat the ongoing COVID-19 pandemic, including important changes to Unemployment Compensation and establishes paid sick leave. The law also expands eligibility for paid family leave to care for healthy children in certain circumstances. See the below chart for details.

**Employer Cheat Sheet for Leave Requirements
Under the Families First Coronavirus Response Act (March 18, 2020)**

	Emergency Family and Medical Leave Expansion Act ("FMLA Expansion Act")	Emergency Paid Sick Leave Act ("Sick Leave Act")
Covered Employer	All employers with 500 employees or less. <u>Possible Exclusions</u> <input type="checkbox"/> Healthcare providers and emergency responders <input type="checkbox"/> Businesses with fewer than 50 employees	Same as the FMLA Expansion Act
Qualified Employee	Any employee who has been working for an employer for at least 30 days.	No minimum duration of employment
Reason for the Leave	A qualified employee who is unable to work (or telework) due to the need to care for a son or daughter under 18 years of age where: <input type="checkbox"/> The child's school or place of care has been closed due to COVID-19, or <input type="checkbox"/> The child care provider is unavailable due to an emergency related to COVID-19	One or more of the following are qualified reasons: a. Quarantine due to COVID-19; b. Recommendation to quarantine; c. Coronavirus symptoms/need for medical attention; d. To care for an individual subject to a mandatory quarantine or a recommendation to quarantine e. To care for a child under 18 years of age if the school/place of care is closed, or child care provider is unavailable due to COVID-19. f. If the employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services
Required Leave Benefits	Qualified employees - up to 12 weeks of leave <input type="checkbox"/> First 10 days may be unpaid. Employees may use paid time off or paid sick leave (explained below) <input type="checkbox"/> Leave beyond the 10-day period must be paid at 2/3 of the employee's normal pay. (For employees who have fluctuating schedules, pay is determined by averaging the number of hours worked during the six months prior to taking leave and paying them 2/3 of their normal rate of pay for those hours.) <u>Benefit Limits</u> <input type="checkbox"/> \$200 per day per employee or <input type="checkbox"/> \$10,000 in the aggregate per employee	Full-time employees - 80 hours paid sick leave Part-time employees – the average number of hours worked in a typical two-week period. Look-back period 6 months and carry over from year to year prohibited <u>Benefit Limits</u> <input type="checkbox"/> \$511 per day per employee or \$5,110 in the aggregate for leave taken for reasons (a), (b), or (c) above <input type="checkbox"/> \$200 per day per employee or \$2,000 in the aggregate for leave taken for reasons (d), (e) or (f) above. Sick time taken under (d), (e) or (f) is paid at 2/3 regular pay. <u>Employers Prohibited From Requiring</u> <input type="checkbox"/> Employees to use other paid leave before using leave under the Sick Leave Act <input type="checkbox"/> Employees who use sick leave to cover their hours/search for someone to cover their hours

Sick leave requirements depend on federal, state, and local law. While federal law, particularly the Families First Coronavirus Response Act (FFCRA) provides a baseline that applies to all U.S. businesses, state and local laws can require paid sick leave in more circumstances than the FFCRA.

	Emergency Family and Medical Leave Expansion Act ("FMLA Expansion Act")	Emergency Paid Sick Leave Act ("Sick Leave Act")
Job Restoration	Employers required to return employees after leave to the same or equivalent position. <u>Exception</u> Employers with less than 25 employees: If the position no longer exists due to an economic downturn or other change in operating conditions. Employers must make a reasonable attempt to return the employee to work for up to one year after the leave period expires.	No specific job restoration provisions Prohibits the unlawful discharge, discipline or discrimination against an employee who: <input type="checkbox"/> Takes sick leave <input type="checkbox"/> Files a complaint <input type="checkbox"/> Participates in a proceeding under the Sick Leave Act
Employer Tax Credits	100% tax credit to offset the wages paid by an employer <input type="checkbox"/> Tax credits can be taken against employer's portion of social security taxes <input type="checkbox"/> Credit capped at \$200 per day per employee and \$10,000 in the aggregate per employee for all calendar quarters <input type="checkbox"/> If credit exceeds taxes, excess will be refunded to the employer	Same as FMLA Expansion Act, except credit is capped at: <input type="checkbox"/> \$511 per day per employee for sick time taken under reasons (a), (b) and (c) above, and <input type="checkbox"/> \$200 per day per employee for sick time taken under reasons (d), (e) and (f) above.
Notice to Employees	N/A	Employers must post/keep posted notice of the Sick Leave Act in a conspicuous location Model notice to be provided by Secretary of Labor by March 25, 2020

State and local: [Philadelphia](#) and [New Jersey](#) have established paid sick leave in response to COVID-19, and require employers to provide accrued paid sick leave to more employees than are covered under the FFCRA. Employers must follow all federal, state, and local paid sick leave requirements that apply. While Pennsylvania and Delaware have not established paid sick leave, employers in those states are still required to provide paid sick leave under the FFCRA.

Under all federal, state, and local paid sick leave laws, employers are prohibited from requiring employees to find replacement workers to use paid sick leave, from disciplining or firing employees for using or requesting paid sick leave, and from requiring employees to use other paid leave before using paid sick leave.

See the below charts for details.

	Federal	Philadelphia	NJ
Covered employers	Employers with 500 or fewer employees *Possible exceptions for healthcare providers, emergency responders, and business with fewer than 50 employees	Philadelphia businesses with 10 or more employees; Chain businesses with 15 or more locations, regardless of number of employees	All NJ businesses
Covered employees	All employees	Full-time and part-time employees working in Philadelphia *Excludes independent contractors, seasonal workers, employees hired for a term of less than six months, interns, and union employees	Full-time, part-time, and temporary employees working in NJ *Excludes union independent contractors, construction workers, and per diem healthcare workers
Required benefits for full-time employees	80 hours	40 hours of accrued sick leave	40 hours of accrued sick leave
Required benefits for part-time employees	Average number of hours worked in a two-week period	40 hours of accrued sick leave	40 hours of accrued sick leave

	Federal	Philadelphia	NJ
How long does an employee have to work for employer before qualifying for paid sick leave?	No minimum duration. The benefit is available to all qualifying employees regardless of time worked for employer.	90 days (during which time employee is accruing paid sick leave)	120 days (during which time employee is accruing paid sick leave)
Paid Sick Leave Accrual	None. The benefit is available to all qualifying employees regardless of time worked for employer.	One hour per 40 hours worked	One hour per 30 hours worked
Must I loan paid sick leave to an employee before the employee has accrued paid sick leave?	N/A	No, but employers may elect to do so	No, but employers may elect to do so

When must employers provide paid sick leave?	Federal	PA	Phila.	NJ	DE
Employee has COVID-19 or COVID-19 symptoms	✓	X	✓	✓	X
Employee advised by healthcare provider or public health authority to quarantine	✓	X	✓	✓	X
Employee is out of work because employer was ordered to close	X	X	✓	✓	X
Employee is out of work because employer voluntarily closed	X	X	X	X	X
Employer stays open in defiance of state/local closure or public health order, and employer refuses to work	X	X	X	✓	X
Employer classified as essential business and decides to remain open, but employee preventatively self-quarantines	X	X	✓	✓	X
Employee has reduced hours because of business slow down	X	X	X	X	X
Freelance, independent contractor, or gig worker has no work or lost hours due to public health emergency	X	X	X	X	X
Employee must care for child(ren) because of a school/childcare facility closure and is unable to work	✓	X	✓	✓	X
Employee is caring for family member who is diagnosed with COVID-19 or in quarantine on suspicion of exposure	✓	X	✓	✓	X

FINANCIAL ASSISTANCE FOR BUSINESSES

Federal: On March 27, 2020, the U.S. Congress adopted the [Coronavirus Aid, Relief, and Economic Security \("CARES"\) Act](#). The law includes measures designed to reduce the damage to the U.S. economy caused by COVID-19, including payments to certain individuals and families, expanded unemployment insurance benefits and eligibility, small business loans and grants, emergency financial assistance to employers in certain industries that have been significantly impacted by the virus, and financial assistance to healthcare systems.

There are a number of financial options for small businesses, non-profit organizations, sole proprietors, independent contractors, and other institutions that may be otherwise eligible for approximately \$350 billion in loans, grants and other economic assistance, and potential loan forgiveness, created by the Act. The highlights summarized here include the Paycheck Protection Program and the expanded Economic Industry Disaster Loans ("EIDL") program.

The Small Business Administration (SBA), in consultation with the Department of the Treasury, has provided additional guidance to address borrower and lender questions concerning the implementation of the Paycheck Protection Program (PPP). [Paycheck Protection Program Loans Frequently Asked Questions \(FAQs\)](#).

Paycheck Protection Program (PPP): As part of the CARES Act, the SBA is offering loans of up to \$10 million through local lenders to help businesses with 500 or fewer employees cover payroll and certain operating expenses. For more information [click](#). The Chamber of Commerce has prepared a [helpful guide](#). For a list of [eligible lenders](#).

Economic Injury Disaster Loan Program (EIDL): The CARES Act expanded the scope of the SBA's existing EIDL to provide loans up to \$2 million to small businesses suffering economic injuries due to COVID-19. For more information about EIDL [click here](#) and to apply [click here](#).

See the below chart for details on the PPP and EIDL loans.

	PPP	EIDL
Eligible employers	<p><u>Now:</u> small businesses, 501(c)(3) nonprofits, and sole proprietors with fewer than 500 employees*</p> <p><u>Starting April 10:</u> self-employed workers and independent contractors with fewer than 500 employees*</p> <p>*Includes full-time, part-time, and temporary employees. Employers in the accommodations or food services industries with more than one location are eligible if they employ less than 500 employees per location.</p>	<p>Small businesses, nonprofits, sole proprietors, self-employed workers, and independent contractors with fewer than 500 employees*, that were in existence on January 31, 2020 and have suffered an economic injury due to COVID-19</p> <p>*Includes full-time, part-time, and temporary employees.</p>
Loan amount	2.5 times the average total monthly payroll costs from the prior year, up to \$10 million	Up to \$2 million, with an emergency advance of \$10,000 available to successful applicants experiencing temporary loss of revenue due to COVID-19.
Annual interest rate	1%	3.75% for small businesses (including sole proprietors, self-employed workers, and independent contractors) 2.75% for nonprofits
Maturity term	2 years	Up to 30 years, based on borrower's ability to repay

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	PPP	EIDL
Loan fees and application fees	None	None
Is collateral or personal guarantee required?	No.	Personal guarantee required for loans over \$200,000. General security interest in business assets required as collateral for loans over \$25,000.
When must borrowers begin repaying the debt?	After 6 months	After 1 year
Loan forgiveness	Yes, if: -all employees are kept on payroll for eight weeks without significant reduction in wages/salaries -at least 75% of the loan is used for payroll costs -remainder of the loan is used for rent, mortgage interest, or utilities. Loan forgiveness will be reduced if employee headcount decreases or salaries/wages are decreased by more than 25% for employees earning less than \$100,000.	No, but businesses that receive an emergency advance will not need to repay the advance.
What can the loan proceeds be used for?	Payroll costs, rent, mortgage interest, and utilities	Payroll, operating expenses, fixed debts, accounts payable, and other bills *Not refinancing debt incurred prior to COVID-19, paying off loans owned by a federal agency or Small Business Investment Company, paying civil or criminal fines/penalties, repairing physical damage, paying dividends or other disbursements, or expanding facilities or acquiring fixed assets
Do I need to look for other funds first before applying?	No	No
Can I apply for and receive loans under both the PPP and the EIDL?	Yes, but loan proceeds cannot be used to cover the same cost or expense. For example, a borrower could not use both a PPP loan and an EIDL loan to cover payroll in the same month.	
Where can I apply?	Through an existing SBA 7(a) lender, a federally insured depository institution, federally insured credit union, Farm Credit System institution, and other approved lenders. View the application and find a nearby eligible lender .	Online through the SBA
Application deadline	June 30, 2020. Applicants are encouraged to apply early due to limited funds.	December 31, 2020

Small Business Administration Debt Relief: the SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for sixth months, and new 7(a), 504, and microloans issued before September 27, 2020. For more information [click](#).

LISC Verizon Small Business Recovery Fund: offering grants up to \$10,000 to businesses, particularly diverse businesses without access to affordable capital, for use in operational expenses. A second round of applications opens in mid-April. For more information [click](#).

Citizens Bank Small Business Recovery Program: to support its Business Banking customers who need

help to recover and rebuild due to financial issues caused by COVID-19. They are providing \$2,000,000 in grants to 134 businesses (i.e., \$15,000 granted to each business). For more information [click](#).

State:

Pennsylvania	The Pennsylvania Industrial Development Authority (PIDA) offers low-interest loans and lines of credit for eligible businesses that commit to creating and retaining full-time jobs for the development of industrial parks and multi-tenant facilities. Loan applications are packaged and underwritten by a network of certified economic development organizations (CEDOs) that partner with PIDA to administer the program.
New Jersey	<p>Small Business Emergency Assistance Grant Program: Provides grants up to \$5,000 to small businesses with up to 10 full-time employees to stabilize operations and reduce the need for layoffs or furloughs. Businesses must be based out of a physical commercial location in New Jersey (no home-based businesses) and be in retail, arts, entertainment, recreation, accommodation, food service, or other services. Applications due by April 10, 2020 at 9:00 am.</p> <p>Small Business Emergency Assistance Loan Program: Provides working capital loans up to \$100,000 to businesses and nonprofits with less than \$5 million in revenues that have been negatively impacted by COVID-19. Loans will have ten-year terms with zero-percent interest for the first five years. Businesses must be based out of a physical commercial location in New Jersey (no home-based businesses). Applications open on April 13 at 9:00 am.</p> <p>NJ Entrepreneurship Guarantee Program: Encourages investment in NJ-based entrepreneurial businesses by guaranteeing up to 80% of an investor's working capital loan to a qualifying company that has been impacted by COVID-19.</p>
Delaware	<p>DE Division of Small Business Hospitality Emergency Loan Program (HELDP): Provides zero-interest loans of up to \$10,000 per month to businesses in the hospitality industry with less than \$1.5 million in annual revenue. Loans have a ten year term with payments deferred for nine months, and can be used for a wide range of expenses.</p> <p>A comparison of financial assistance under federal and DE programs available</p>

Local:

Philadelphia	<p>COVID-19 Small Business Relief Fund: currently offering microenterprise grants of \$5,000 for both essential and non-essential businesses with annual revenue under \$500,000.</p> <p>PHL COVID-19 Fund: offering grants to Greater Philadelphia nonprofit organizations serving community members disproportionately impacted by COVID-19, such as children and families experiencing food insecurity, seniors, people with disabilities, and those experiencing homelessness. Organizations must be a 501(c)(3) nonprofit operating in Bucks, Chester, Delaware, Montgomery, or Philadelphia county in Pennsylvania or Atlantic, Burlington, Camden, Cape May, or Cumberland county in New Jersey.</p> <p>PIDC: offers low-interest financing through various programs.</p> <p>For a list of other financial assistance programs for Philadelphia-area businesses</p>
Philadelphia Childcare Centers	The Philadelphia Emergency Fund for Stabilization of Early Education (PEFSEE) aims to ensure that Philadelphia's early learning sector can weather the COVID-19 crisis. PEFSEE will provide grant funds to minimize the loss of capacity and expertise in the sector so that children and families continue to have access to high quality early learning opportunities once this crisis has passed.

	Tiered grant awards of up to \$20,000 will be made available to provide immediate relief to eligible organizations with operations located in the city of Philadelphia. To apply click here.
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IS TAX RELIEF AVAILABLE FOR MY BUSINESS?

Tax credits and deferral are available for qualifying businesses under the CARES Act and the Families First Coronavirus Response Act (FFCRA). Tax credits reduce the amount of tax owed, whereas tax deferrals delay the due date of the tax. The IRS has also extended the federal tax filing and payment deadlines to July 15, 2020. The state tax filing and payment deadlines for Pennsylvania, New Jersey, and Delaware have also been extended to July 15, 2020. Philadelphia has likewise extended business income and receipts filing and payment deadlines to July 15, 2020, but has extended the real estate tax payment deadline to April 30, 2020.

CARES Act:

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship: Provides a refundable, federal tax credit for 50% of wages paid by businesses and nonprofits whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel, or group meetings, or who have experienced more than a 50% reduction in quarterly receipts. Wages of employees who are furloughed or face reduced hours as a result of the closure or economic hardship are eligible for the credit. The credit is not available to employers receiving assistance through the Paycheck Protection Program. The credit is provided through December 31, 2020.

Delay of Payment of Employer Payroll Taxes: Allows employers to defer paying the employer portion of certain payroll taxes through the end of 2020. All deferred amounts will be due in two equal installments at the end of 2021 and 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes, and half of SECA tax liability. Deferral is not available to employers receiving assistance through the Paycheck Protection Program. For more information [click](#).

FFCRA:

Paid Sick Leave Credit: Provides a refundable tax credit to eligible employers for an employee who is unable to work because of COVID-19 quarantine or self-quarantine at the employee's regular rate of pay, up to \$511/day for up to ten days. For an employee who is caring for someone with COVID-19 or is caring for a child because the child's school and/or childcare facility is closed and is unable to work, the employer may claim a credit for two-thirds of the employee's regular rate of pay, up to \$200/day for up to 10 days. Employers are also entitled to an additional tax credit based on costs to maintain health insurance coverage for the eligible employee during the leave period.

Paid Family Leave Credit: Provides a refundable child care leave credit to eligible employers for an employee who is unable to work because of the need to care for a child whose school and/or childcare facility is closed. The employer can claim a credit equal to two-thirds of the employee's regular pay, up to \$200/day for up to 10 weeks. Employers are also entitled to an additional tax credit based on costs to maintain health insurance coverage for the eligible employee during the leave period. For more information [click](#).

CAN MY BUSINESS STAY OPEN?

Pennsylvania, New Jersey, and Delaware have each ordered non-essential businesses to close on-site operations, but the definition of non-essential varies from state to state.

Pennsylvania: On March 19, 2020, [Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations](#). Here is an [updated list](#) of essential and non-essential businesses. If you operate a business that is in a non-essential industry but you provide goods or services to essential businesses or their employees, like childcare services, you may qualify for an [exemption](#). The exemption application is currently closed.

Philadelphia has a separate [list](#) of essential and non-essential Philadelphia businesses.

New Jersey: Here is an [updated list](#) of essential and non-essential businesses. Recreational and entertainment business and many retail businesses are considered non-essential and must stop on-site operations. Non-retail businesses may remain open, but must accommodate remote work arrangements.

Delaware: Here is an [updated list](#) of essential and non-essential businesses. DE urges employers to maximize remote work arrangements where possible.

I OPERATE A CHILDCARE CENTER. IS MY BUSINESS ESSENTIAL?

Pennsylvania, New Jersey, and Delaware only allow childcare centers to continue to operate if they care for children of workers for essential businesses. Childcare centers in all three states must apply for this exemption. The exemption deadline in all states has passed. More information for each state can be found below:

[Pennsylvania](#)
[New Jersey](#)
[Delaware](#)

MY BUSINESS IS ESSENTIAL. HOW CAN I KEEP MY EMPLOYEES SAFE?

Pennsylvania, New Jersey, and Delaware each encourage remote work arrangements for essential businesses, where possible, to reduce the spread of COVID-19. If you must continue on-site operations, follow the CDC and OSHA guidelines for preventing the spread of COVID-19:

[CDC](#)
[OSHA](#)

State and local public health departments may have additional guidelines.

PA: [Risk Assessment tool](#)

ADDITIONAL RESOURCES

Comcast	offering business customers credits for their April bills; contact them directly with your business account information for further details.
Ally Bank	see the following link for their offer to defer payments and waive certain fees: https://www.ally.com/coronavirus-response
Bank of America	sign in online if you are their customer, and you can submit an online request for payment deferral where there is no impact on your credit. Also, see this link for more information: https://about.bankofamerica.com/promo/assistance/latest-updates-from-bank-of-america-coronavirus
Citi	see the following link for how to request payment deferrals/forbearance for credit cards, mortgages, and other loans along with waivers of some fees including penalty waivers for early Certificate of Deposit withdrawals: https://online.citi.com/US/JRS/pands/detail.do?ID=covid19
Marcus by Goldman Sachs	see the following link to enroll in a customer assistance program which allows for deferral of loan payments and penalty-free early withdrawals of high-yield Certificates of Deposits: https://www.marcus.com/us/en/media/blogs/info-on-covid19
TIAA Bank	see the following link for fees they are offering to waive and to access their COVID-19 mortgage assistance application: https://www.tiaabank.com/covid19-resource-center?cm_mmc=vanity_-_announcements_-_coronavirus_-_na
Navy Federal Credit Union	see the following link for information regarding their Pandemic Relief Loans, offers for forbearance on payments for existing loans/credit cards, and their offer for penalty-free early withdrawals for Certificates of Deposit: https://www.navyfederal.org/about/covid19-faq.php# covid-accord-0
PNC Bank	see the following link for information on how to apply for their loan/mortgage hardship assistance program and their offers of waivers of certain fees: https://www.pnc.com/en/customer-service/coronavirus-update.html
Wells Fargo Bank	see the following link to learn more about their payment suspension programs, fee waivers, and suspension of foreclosure and repossession actions: https://www.wellsfargo.com/jump/enterprise/coronavirus-response/

Finally, aside from the above, please keep in mind that many other banks, lenders, and service providers are offering flexibility in payments and special loans, etc. to help during the COVID-19 crisis. If you need financial assistance, you should reach out directly to the company, as they can address your specific needs and may even have more programs and offers than they advertise online.