



IMA WEEKLY COVID-19 UPDATE

LEADERSHIP & THE LATEST FROM DC

THE WEBINAR WILL BEGIN AT 2:00 PM MST AND WILL BE RECORDED



A FEW THINGS TO NOTE

This webinar is being recorded, the recording and slides will be made available to all registrants via email

If you have a question, please enter it in the 'Question' field in the GoToWebinar interface

If we do not have time to answer all questions, written responses will be published later this week

AGENDA

LEADERSHIP DURING
COVID-19

THE LATEST BENEFITS
UPDATES FROM DC

PANELISTS



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LEADERSHIP SPOTLIGHT

JESSI RYAN

CAPTURING EMPLOYEE FEEDBACK

Companywide

What we've heard

- In general, employees agree that their leadership team is doing a good job managing the crisis
- Employees personally feel good and are coping with the situation in a positive way
- Concerns around:
 - Safety
 - Caretaking for sick, elderly and children
 - Homeschooling / summer schedules
 - Accessing health resources & benefits

What's next

- Return to work
 - Given new social distancing requirements that we'll plan to enforce, do employees feel safe returning to work?
 - Given their caretaker status, are they even able to return?
 - Do employees prefer to return or continue remote?

CAPTURING EMPLOYEE FEEDBACK

Individually

Be Visible

- Schedule open office hours and encourage your team to virtually stop by
- Keep your calendar updated – Demonstrate the behaviors you want to see in your team

Prioritize 1-on-1 Connections

- Open every conversation on a personal note – practice empathy and be vulnerable
- Provide updates and give as much information as you can
- Ask “how can I support you?” and be prepared to follow-through

BUILDING MORALE

Confidence, Enthusiasm & Discipline

- Consider employees decision partners
- Ask open-ended questions before posing solutions
- Use your organization's mission & values as your compass

"Leadership is not about titles, positions, or flowcharts.
It is about one life influencing another."
--John C. Maxwell



THE LATEST FROM DC

KC RIPPSTEIN AND CRAIG TRUITT

THE LATEST FROM DC

- PPP Loan Forgiveness
- CDC Reopening Guidelines
- HEROES Act
- HSA Updates

PPP LOAN FORGIVENESS

- ✓ On Friday, May 15, 2020, the SBA released the [loan forgiveness application](#) for the Paycheck Protection Program (PPP), along with detailed instructions
- ✓ On Friday, May 22, 2020, the SBA released a 26-page [Interim Final Rule](#) regarding loan forgiveness and a 19-page [IFR](#) on the loan review process for borrowers and lenders
- ✓ Employers may include cash compensation incurred or paid during the eight weeks (56 days) after the date loan funds are disbursed ("the Covered Period")
 - CARES Act indicated such amounts must be incurred and paid during the Covered Period
 - Biweekly (or more frequent) payroll employers may use an "Alternative Payroll Covered Period" beginning the first day of the pay period following disbursement of funds
- ✓ Employers may include qualified non-payroll expenses paid during the Covered Period as well as those incurred during the Covered Period and paid by the next regular billing due date after the Covered Period, but these should not exceed 25% of the total loan to be forgiven
- ✓ For self-employed individuals, general partners, and owner-employees, special rules apply...work with your tax attorney/CPA to review details

PPP LOAN FORGIVENESS

Reductions in loan forgiveness for reducing full time equivalent employees (FTEs)

- ✓ The % an employer reduces its average number of FTEs during the Covered Period compared to its average number of FTEs during a 12-week "reference period" will be the % reduction in forgiveness
- ✓ The borrower may select a reference period of:
 - February 15, 2019 through June 30, 2019;
 - January 1, 2020 through February 29, 2020; or
 - For a seasonal employer, either of those periods or a consecutive 12-week period between May 1, 2019 and September 15, 2019
- ✓ Counting method for FTEs
 - Count all employees averaging 40+ hours per week as 1 FTE each
 - For employees averaging <40, divide employee's average weekly hours paid by 40 and round to the nearest tenth (*also permits a simplified calculation where <40 = 0.5 FTE*)
 - The calculation is based on average hours paid, not just hours worked (*so paid leave during crisis counts as hours*)

PPP LOAN FORGIVENESS

Forgivable amount will not be reduced for reductions in FTEs not caused by the employer

- ✓ Laid off employees that refuse to return *(as long as the employer makes a good faith written offer to rehire, documents the refusal, and informs the state unemployment office within 30 days)*
- ✓ Employees fired for cause
- ✓ Employees who voluntarily resign or request a reduction in hours

Dollar for dollar reduction in loan forgiveness for reduced wages (first 25% reduction ignored)

- ✓ Clarifies this is evaluated per employee and does not apply to extent employee's FTE hours reduced
- ✓ Bonuses, hazard pay, commissions, and furlough pay are allowable *(keep pro-rated \$100K cap in mind)*
- ✓ The “most recent full quarter during which the employee was employed” refers specifically to January 1, 2020 through March 31, 2020 *(still does not address employees who were not employed for that full quarter)*

Safe harbor for restoring FTEs and wages

- ✓ Employers that reduced FTEs and/or compensation during a safe harbor period (February 15 and April 26) are eligible for full forgiveness as long as the reductions are eliminated by June 30, 2020
- ✓ But be careful: the safe harbor is based on “total wages,” so staffing levels will likely need to be restored well before June 30 in order to qualify

CDC GUIDELINES FOR REOPENING BUSINESSES

- ✓ Earlier this month, the CDC quietly released a [60-page guide](#) detailing its activities and initiatives in support of the President’s “Opening America Up Again” plan
- ✓ Includes interim guidance for businesses and certain establishments to consider as they reopen their establishments
 - Childcare programs
 - Schools and day camps
 - Employers with workers at high risk
 - Restaurants and bars
 - Mass Transit Administrators
- ✓ Supplements the [decision tools](#) released on May 14th
- ✓ Presents a non-binding “menu of safety measures” and tips for monitoring and preparing for potential spread of COVID-19
- ✓ Suggests a three-phased approach for scaling up operations while slowly relaxing social distancing measures
- ✓ Encourages collaboration with local health officials to assess the level of mitigation needed for each business

CDC GUIDELINES FOR REOPENING BUSINESSES

Decision Tree for [Workplaces](#)

- ✓ Should you consider reopening?
 - Businesses should not reopen unless they can comply with applicable state and local orders and protect high-risk employees
- ✓ Are recommended health and safety actions in place?
 - Healthy hygiene practices
 - Cleaning, disinfection, and ventilation protocols
 - Social distancing measures
 - Modified travel and commuting practices
 - Training for employees
- ✓ Is ongoing monitoring in place?
 - Procedures for daily symptom checks
 - Plans for dealing with sick employees
 - Ability to communicate with local authorities and respond to further outbreaks in the area
- ✓ Businesses that can answer “Yes” to all three questions are encouraged to “Open and Monitor”

HEROES ACT

- ✓ The U.S. House of Representatives recently passed the \$3 trillion H.R. 6800, known as the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, largely along party lines
 - 1,800-page [bill](#) with a 90-page [summary](#), covering virtually every facet of our economy
 - Permits PTO, health FSAs, and daycare FSAs to carryover all unused funds into 2021
 - Permits health FSAs and daycare FSAs to extend grace periods to 12 months following the end of the 2020 plan year
 - Requires adjudicating COVID-19 testing related claims prior to FFCRA to waive cost sharing
 - Requires COVID-19 treatment without cost sharing
 - Extension of CARES Act unemployment provisions (*including the extra \$600/wk through January 2021*)
 - 11 months of 100% **federal subsidy for COBRA** (*from March 1, 2020 through January 31, 2021*)
 - Extends FFCRA emergency leave protections to private sector employers with 500+ employees
 - Establishes a fund to award grants for employers to provide pandemic premium pay for essential workers
 - Requires employers to develop and implement infectious disease exposure control plans
- ✓ The bill is not expected to be taken up in the Republican-controlled Senate
 - Senate not looking to move on anything until June, focused for now on court appointments

HSA INDEXING FOR 2021

- ✓ IRS Revenue Procedure [20-32](#) announces 2021 indexing for health savings accounts (HSAs)
- ✓ Indexed to chained inflation (*as of 2019 and going forward*)

	2019	2020	2021
Minimum Deductible, self-only coverage	\$1,350	\$1,400	\$1,400
Minimum Deductible, family coverage	\$2,700	\$2,800	\$2,800
Maximum OOP, self-only coverage	\$6,750	\$6,900	\$7,000
Maximum OOP, family coverage	\$13,500	\$13,800	\$14,000
<i>Non-grandfathered cap per person</i>	<i>\$7,900</i>	<i>\$8,150</i>	<i>\$8,550</i>
Maximum Contribution, self-only coverage	\$3,500	\$3,550	\$3,600
Maximum Contribution, family coverage	\$7,000	\$7,100	\$7,200
Catch-up Contribution <i>(per HSA account holder age 55+ on December 31)</i>	\$1,000	\$1,000	\$1,000



QUESTIONS & ANSWERS