

# Navigating Workforce Options Related to COVID-19

**Non-Profit Finance Professionals**  
April 14, 2020

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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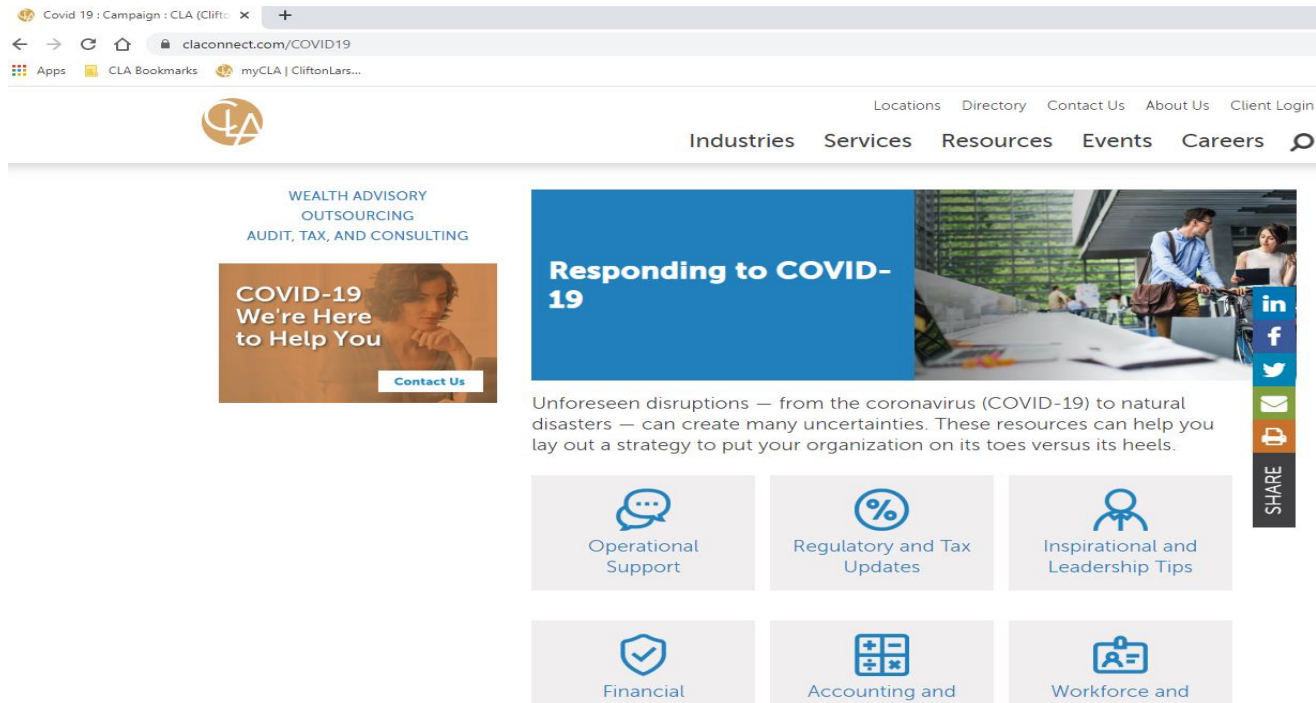
*Create Opportunities*

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# Resources – CLA COVID-19 Home Page



The screenshot shows the CLA COVID-19 Home Page. At the top, there's a browser address bar with the URL [claconnect.com/COVID19](https://claconnect.com/COVID19). Below the address bar is a navigation menu with links: Locations, Directory, Contact Us, About Us, and Client Login. The main header features the CLA logo and a navigation bar with links: Industries, Services, Resources, Events, and Careers. A search icon is also present.

On the left side, there's a section titled "WEALTH ADVISORY OUTSOURCING AUDIT, TAX, AND CONSULTING" with a sub-header "COVID-19 We're Here to Help You" and a "Contact Us" button.

The main content area features a large blue banner with the text "Responding to COVID-19". Below the banner, there's a paragraph: "Unforeseen disruptions — from the coronavirus (COVID-19) to natural disasters — can create many uncertainties. These resources can help you lay out a strategy to put your organization on its toes versus its heels."

Below the paragraph, there are six icons representing different resources:

- Operational Support (Icon: Speech bubbles)
- Regulatory and Tax Updates (Icon: Percentage sign)
- Inspirational and Leadership Tips (Icon: Person with a star)
- Financial (Icon: Shield with a checkmark)
- Accounting and (Icon: Calculator)
- Workforce and (Icon: Person with a plus sign)

On the right side, there's a vertical social media sharing bar with icons for LinkedIn, Facebook, Twitter, Email, Print, and a "SHARE" button.

[www.claconnect.com/COVID19](https://www.claconnect.com/COVID19)



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# Learning Objectives

- Introduction to how unemployment insurance (UI) is funded in Massachusetts, and key differences between a temporary furlough and a more permanent layoff or reduction in workforce
- Review three new categories of federal unemployment benefits from CARES, and the Massachusetts Division of Unemployment status on delivery of these benefits
- Brief Review of the CARES Act Employee Retention Credit
- Brief Review of FFCRA provisions, and the related tax credit process





# Overview of Unemployment Insurance in Massachusetts

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# Introduction

- Introduction and background
- Acronyms and key words
  - UI = Unemployment Insurance
  - DUA = Massachusetts Department of Unemployment Assistance
  - PUA = Pandemic Unemployment Assistance - CARES Act provision
  - Claimant -Your employee or former employee

## Unemployment Insurance – Where does the money come from?

- One funding method is via State Unemployment Taxes (SUI) paid by the employer, not the employee. Employees wages are taxed at a certain rate, and those funds are used to “pay” future claims made by employees.
- **Tax rates** to range from 0.94% to 5.24% for positive-rated employers and from 7.03% to 14.37% for negative-rated employers

## Unemployment Insurance – Where does the money come from?

- Certain organizations may be eligible to NOT pay the tax, and choose the **other funding method**, known as “**reimbursable method**”
- This saves an organization tax dollars, and may be an appealing option during times of low unemployment
- The organization is billed, dollar for dollar, for entire benefit/claim former employee received from the UI fund. Retraining costs can also be billed.



## Know your method!!

- Check payroll reports for taxes paid, or
- Ask your payroll provider/vendor
- CARES act includes a provision for non-profits, who may receive half of the “reimbursable” claim cost via a refund. Details are still being sorted out....(Section 2103 of CARES)

# Terminations, Furloughs and Layoffs - What's the difference

## Layoff/Termination

- Employment ends
- Benefits end
- Accrued earned time is paid out per Mass. Law and/or company policy.
- Eligible to file for unemployment
- Paper check for all wages owed to EE on last day of work, including accrued unused vacation/PTO

## Furlough/ Temporary Layoff

- A recall date is provided
- Employee benefits do not end
- Accrued, earned time is generally not paid out, if it is, it can delay UI
- Eligible to file for unemployment
- Savings to the company are from payroll and taxes during furlough

# Communicating with staff about Unemployment Benefits

- The Division of UI is the only one who can approve or deny UI benefits.
- Choose words such as “We expect that you will be eligible for UI benefits, here is some information about the process....the approval is made by the state”.
- Avoid statements such as “you will receive \$600 per week in federal CARES UI benefits and \$528 in Massachusetts UI benefits”. **Let the state advise the employee of their weekly benefit amount(s)**

# Provide this to the outgoing employee

<https://www.mass.gov/doc/how-to-apply-for-unemployment-insurance-benefits-form-0590a/download>

1. Download document
2. Add your companies information, especially tax ID#, and business details to page 1.
3. Provide a pdf or paper copy to impacted employee
4. This will help expedite the claim process



## What is Unemployment Insurance?

Unemployment Insurance (UI) is a temporary income assistance program for Massachusetts workers who have lost their jobs through no fault of their own, and are:

- Able to work
- Available for work, and
- Actively looking for work

Funding for UI benefits comes from quarterly contributions paid by the state's employers to the Department of Unemployment Assistance (DUA). Employees do not contribute to unemployment insurance.

## When should you apply for UI benefits?

If you have been separated from work, or your hours have been reduced, you should file a claim for UI benefits **during your first week** of total or partial unemployment. Your claim will begin on the Sunday of the calendar week in which your claim is filed. This date is known as the effective claim date.

You will not be paid benefits for any week of unemployment preceding the effective date of your claim.

### Important note:

You may request benefits only if you are in the United States, its territories, or Canada. You should not request benefits for any week you are outside the United States, its territories, or Canada.

This pamphlet includes important information on how to apply for Unemployment Insurance benefits.

Este folleto contiene información importante sobre cómo solicitar los beneficios del Seguro de Desempleo.

Este panfleto contém informações importantes sobre como registrar-se para receber benefícios de subsídio de desemprego.

Данный проспект содержит важную информацию о процессе подачи заявления на получение Страхового пособия по безработице.

Livré sa gen enfonasyon enpòtan sou fason pou aplike pou Benefis Asirans Chomaj yo.

Il presente opuscolo contiene importanti informazioni riguardanti la modalità di richiesta per l'indennità di disoccupazione.

Cette brochure comporte d'importants renseignements sur la façon de demander des prestations d'assurance-chômage.

រៀបរាប់អំពីព័ត៌មានសំខាន់ៗអំពីការសុំទាញយកប្រាក់ប្រយោជន៍ឥតការងារ។

Cuốn sách mỏng này bao gồm thông tin quan trọng về cách nộp đơn xin bảo hiểm thất nghiệp

ထော့ပုဒ်လေးကလေးပါးအားဖြင့်သတိပေးချက်အားလုံးကိုအတိအကျအားဖြင့်ဖော်ပြထားသည်။

这本小册子包括如何申请失业保险金的重要信息。

이 팜플렛에는 실업 보험 급여의 신청 방법에 대한 중요한 정보가 들어 있습니다.

يحتوي هذا الكتيب على معلومات هامة حول كيفية التقديم للحصول على منافع تأمين البطالة.

### Equal opportunity employer program

Auxiliary aids and services are available upon request to individuals with disabilities. For hearing-impaired relay services, call 711.



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT  
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Form 0590-A Rev. 1-26-18



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT  
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

## To Massachusetts Workers: How to File a Claim for Unemployment Insurance Benefits

### To Massachusetts employers:

Under the state's Employment and Training Law, M.G.L. Chapter 151A, you must provide a copy of this pamphlet as soon as practicable, but no more than 30 days, from the last day the employee performed compensable work. You must provide this pamphlet to each of your employees who is separated from work, permanently or temporarily. Please complete the information below:

\_\_\_\_\_  
Employer name

\_\_\_\_\_  
Mailing address

\_\_\_\_\_  
Phone number

\_\_\_\_\_  
Federal employer ID number





## File Online

To file your new UI claim or reopen an established claim online, visit our website at: [www.mass.gov/dua/uionline](http://www.mass.gov/dua/uionline).

1. Select **Log in to UI Online for Claimants**.
2. Create a UI Online account or log in to an existing account.
3. Complete all the information requested and submit your application.
4. Be sure to include your phone number and email address to make it easier for us to contact you if there are questions about your application.

**UI Online is available 6:00 am to 10:00 pm, 7 days a week.**

### Need Help?

If you have questions about your eligibility, please review the eligibility requirements online at: [www.mass.gov/dua/eligibility](http://www.mass.gov/dua/eligibility).

For assistance creating a UI Online account, visit: [www.mass.gov/dua/fileclaim](http://www.mass.gov/dua/fileclaim).

## Information Needed to File a Claim

To apply for unemployment, you need to provide personal information including your Social Security number, birth date, home address, email address, and phone number.

You also need information about your employment history from the last 15 months, including:

- Names of all employers, plus addresses and phone numbers
- Reasons for leaving those jobs
- Work start and end dates
- Recall date (if you were laid off but have a set date to return to work)

You may need additional information in certain situations:

- If you are not a U.S. citizen — your Alien Registration number or verification that you are legally allowed to work in the United States.
- If you have dependent children — their birth dates and Social Security numbers
- If you're in a union — your union name and local number
- If you were in the military — your DD-214 Member 4 form. If you don't have it, you can request your DD-214 online at [www.dd214.us](http://www.dd214.us).

To receive payments by direct deposit, you'll need your bank name, account number and routing number. Otherwise, DUA will send you a debit card.



## File by Phone

To file your new UI claim or reopen an established claim by phone, you can:

- Schedule a callback from the TeleClaim Center by visiting our website at: [www.mass.gov/dua/schedulecallback](http://www.mass.gov/dua/schedulecallback).
- Call the TeleClaim Center at (617) 626-6800 or toll-free at (877) 626-6800. Please adhere to the call-in schedule below.

**The TeleClaim Center is available 8:30 am to 4:30 pm, Monday through Friday.**

Last digit of your Social Security Number:	Assigned day to call the TeleClaim Center:
0, 1	Monday
2, 3	Tuesday
4, 5, 6	Wednesday
7, 8, 9	Thursday
Any last digit	Friday

# CARES ACT– New Federal Unemployment Provisions - Released 4-9-2020 Mass DUI Website

## Pandemic Unemployment Assistance (PUA) for Non-Employees only:

- PUA will provide up to 39 weeks of unemployment benefits to individuals who are not working as a result of COVID-19 and **are self-employed, independent contractors, gig economy workers**, and others who otherwise would not qualify for regular UI.
- The Department of Unemployment Assistance has engaged a vendor to **build a new platform** to disburse PUA benefits. The platform is expected to begin accepting PUA claims on or around April 30, 2020.

# CARES ACT–Unemployment Provisions - Released 4-9-2020 – Mass DUI Website

## Pandemic Emergency Unemployment Compensation (PEUC) –

The PEUC program provides up to 13 weeks of unemployment insurance benefits to individuals who have **exhausted their previous unemployment benefits**. The first week a claimant can be compensated on this benefit is the week beginning March 29, 2020, and the last payable week is the week ending December 26, 2020. **The Department of Unemployment Assistance is awaiting additional federal guidance on how to implement and administer this program and the extended weeks of PEUC benefits are not yet available.**





# CARES ACT– New Federal Unemployment Provisions - Released 4-9-2020 Mass DUI Website

## Federal Pandemic Unemployment Compensation (FPUC)

- The FPUC program will provide an additional \$600 per week to individuals who are collecting regular Unemployment Compensation (UC), Pandemic Emergency Unemployment Compensation (PEUC), Pandemic Unemployment Assistance (PUA), Extended Benefits (EB), Trade Readjustment Act (TRA), and Disaster Unemployment Assistance (DA).
- The Department has already begun implementing the FPUC program for regular UC claimants. The \$600 will be added to all eligible weeks of benefits retroactive to March 29, 2020 and continuing until July 31, 2020. FPUC monetary disbursements will begin immediately in Massachusetts for those who are currently collecting benefits on regular UC claims.



# CARES ACT–Unemployment Provision Q&A

- <https://gop-waysandmeans.house.gov/cares-act-unemployment-insurance-questions-answered/>

Above Link is from the federal government/ house of representatives. Selected questions:

## How much do unemployed workers get?

It varies. Unemployment benefits across the country averaged \$385 per week in February 2020 [but vary significantly by state](#). Generally, a person's benefits replace about 1/3 to 1/2 of their wages. **The CARES Act provides an additional \$600 per week on top of whatever a person would normally receive in their state – limited to the next 4 months (expires July 31, 2020).** This will end up providing a higher than average wage replacement rate for low-wage workers.

## How long do unemployment benefits last?

It [varies by state](#), but **most states provide access to unemployment benefits for a maximum of 26 weeks. The CARES Act provides federal funding for an additional 13 weeks** for those who need it. Funding for this expires December 31, 2020.



# CARES ACT (continued) – Unemployment Provision Q & A

Can individuals get more on unemployment than they got in their paycheck?

The additional \$600 in weekly benefits is designed to keep as many workers as whole as possible through the emergency. Some may temporarily receive more benefit than their paycheck – though that number is very small compared to everyone receiving Unemployment. **Of course, people receiving Unemployment do not receive health insurance, retirement or other important benefits that can be available at work. The temporary \$600 is only available through July 31.**



# Guidance on Other Recent Federal Provisions

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# Other Business Provisions – From the CARES Act

- Employee Retention Credit
  - Refundable tax credit equal to 50% of certain compensation (up to \$10k) from March 13, 2020 – December 31, 2020
  - Eligible employer is one whose
    - ◇ Operations were fully or partially suspended due to COVID-19 related shut-down order
    - ◇ Gross receipts declined by more than 50% when compared to the same quarter in the prior year.
  - Over 100 employees credit is available only for compensation paid to employees who are not working as a result of COVID-19 related shut-down order or the significant decline in gross receipts. Under 100 employees any compensation paid during the period when operations were fully or partially suspended
  - Not available if you take a PPP loan



# Families First Coronavirus Act or “FFCRA”

(HR 6201)

- Effective **April 1, 2020** through December 31, 2020
- Employers that employ 500 employees or less
- ALL employees are eligible (FT, PT, Temporary)
- Two Mandates:
  - Paid Sick Leave
  - Expanded Family Medical Leave (E-FMLA)



## FFCRA – Six Qualifying Reasons

1. Employee is subject to a governmental quarantine or isolation order related to COVID-19
2. Employee has been advised to self-quarantine by HC provider due to COVID-10
3. Employee is experiencing symptoms of COVID-19 **and** seeking diagnosis



## FFCRA – Six Qualifying Reasons

4. Employee is caring for an individual subject to a governmental quarantine order or HC provider recommended
5. Employee is caring for minor child(ren) due to school or care location closure due to COVID-19
6. Employee is experiencing any other “substantially similar condition” specified by the HHS Secretary

*DOL website provides more details and compensation limits for these six reasons:*

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





## FFCRA >50 Employee Exemption

Q: How can a small business > 50 employees claim exemption from FFCRA?

A: By meeting one of these conditions:

1. Would result in expenses/financial obligations exceeding revenues and cause business to cease operations at a minimal capacity
2. Absence of employee(s) taking Paid Sick Leave & E-FMLA would entail a substantial risk to financial health or operational capabilities because of their skills, knowledge & responsibilities
3. Not sufficient workers who are able, willing and qualified to perform work and these workers are needed for business to operate



## FFCRA – Health Care Provider

Q: Who is a “health care provider” who may be excluded from PST and/or E-FMLA?

A: Employed at:

Doctor’s office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility, nursing home, home health care provider, any facility that performs laboratory or medical testing, pharmacy, or any similar institution, employer, or entity



## FFCRA – Documentation required

Q: What type of documentation should an employer require for PST and E-FMLA?

A: Employers should request and maintain supporting documents to support their application for the tax credit.

**Suggested: employee name, reason for leave, length of leave, doctor's notice, school closure information**



# FFCRA – Tax Credit Guidance

## Documentation

- To claim the tax credit, this documentation is recommended: Employer needs to maintain a written request with the 1) employee name 2) dates of which leave was paid 3) statement of qualifying COVID reason AND 4) Statement that the employee is not able to work or telework.

## Tax Retention Process

- Eligible employers that pay qualified leave wages are able to retain an amount of all federal employment taxes equal to the amount of the qualified leave wages paid, plus the allocable qualified health plan expenses and the amount of the employer's share of Medicare tax on those wages, instead of depositing them with the IRS.
- The federal employment taxes that are available for retention by eligible employers include **federal income taxes withheld from employees, the employee's share of Social Security and Medicare taxes, and the employer's share of Social Security and Medicare taxes** with respect to all employees

## Tax Credit – Additional Details

- The credits cover 100% of up to ten days of qualified sick leave wages and up to ten weeks of qualified family leave wages (and any qualified health plan expenses) that an eligible **employer paid** during a calendar quarter, plus the amount of the eligible employer's share of Medicare taxes imposed on those wages
- Eligible employers will claim the credits on their federal employment tax returns (e.g., Form 941, *Employer's Quarterly Federal Tax Return*), but they can benefit more quickly from the credits by reducing their federal employment tax deposits.
- Credit is capped at \$10,000 per qualifying employee





# Questions?

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