

# KEY PROVISIONS RELEVANT TO NONPROFITS

## KEY PROVISIONS RELEVANT TO NONPROFITS

Here are some key provisions of the Coronavirus Aid Relief and Economic Security (CARES) Act and the Family First Coronavirus Response Act (FFCRA) that may provide benefits and stimulus to Diocesan parishes.

### 1. PAYCHECK PROTECTION PROGRAM LOAN/GRANTS

**Eligibility:** Employers with less than 500 employees are eligible, Full-Time and Part-Time Contractors, are eligible for loans guaranteed by the federal government and facilitated by local banks overseen by the Small Business Administration.



- **Personal Guarantee:** No personal guarantee or collateral will be required in securing a loan.
- **Loan Amount:** The lesser of \$10 million or 2.5 times the average total monthly payroll (including benefits) costs from the one-year period prior to the date of application. (Maximum compensation of an employee in excess of an annual salary of \$100,000 should not be included.)
- **Loan Use:** Loan funds can be used to make payroll and associated costs, including health and retirement benefits, facilities costs, and debt service.
- **Loan Liability:** Employers that maintain employment for the eight weeks after the origination of the loan, or rehire employees by June 30, would be eligible to have their loans forgiven, essentially turning the loan into a grant.

### 2. UNEMPLOYMENT BENEFITS

**Unemployment** – The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27. It expands states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic, including workers who are not ordinarily eligible for unemployment benefits.



#### **U.S. Dept of Labor Pandemic Unemployment Assistance for 501©(3) offers**

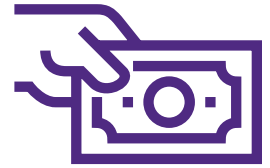
- Church employees may be covered and eligible for Unemployment Benefits even if the church does not participate in voluntary Unemployment Payments.
- Weekly Unemployment Benefits based on past wages up to 13 weeks for nonprofit employees
- Federal Pandemic Unemployment Compensation (FPUC). Under FPUC, states will administer an additional \$600 weekly payment for up to 13 weeks.
- 13 weeks of Unemployment benefits for Church Employees.
- Please click [here](#) for more information

### 3. FAMILY FIRST CORONAVIRUS ACT FOR EMPLOYEES AND THEIR DEPENDENTS.

As of April 1, workers who have been on the payroll for at least 30 calendar days will be eligible under Emergency Family and Medical Leave Expansion Act (EFMLEA) for paid family leave benefits, which expire at the end of the year, when their minor child's school or child care provider is closed because of COVID-19.

# KEY PROVISIONS RELEVANT TO NONPROFITS

An employee may take paid sick leave for the first 10 days of leave or substitute any accrued vacation, personal leave or sick leave under an employer's policy. For the following 10 weeks, the individual will be paid at an amount no less than two-thirds of the regular pay for normally scheduled hours. The individual will not receive more than \$200 per day or \$12,000 for 12 weeks that include paid sick leave and EFMLEA leave, [here](#).



## 4. HEALTH SAVING ACCOUNTS

- HSA-qualified health plans can now cover telehealth and other remote care service expenses below the High Deductible Health Plan (HDHP) statutory deductible limit, or at no or low-cost sharing, without affecting an account holder's ability to continue contributing to their HSA. This provision will last until December 31, 2021.
- Over-the-counter drugs and medicines can be paid for or reimbursed through an FSA, HRA or HSA without a doctor's prescription.
- Menstrual care products are now considered a qualified medical expense and are eligible for payment or reimbursement through an FSA, HRA or HSA. All expenses incurred after December 31, 2019 qualify, and the provision has no expiration date.
- To view qualified Medical Expenses, please click [here](#).



## 5. RETIREMENT SAVINGS: EARLY WITHDRAWAL WITHOUT PENALTY

Allows you to borrow up to \$100,000 from your IRA(s) and repay the amount(s) any time up to three years later with no federal income tax consequences. And there are no limitations on what you can use CVD funds for during the three-year period. What that means is that as long as you get the money back into a retirement account within three years, there won't be any tax consequences. You won't pay the penalty, and you won't have to include the distribution you received as taxable income. Please contact [Fidelity](#)



## 6. CPG

Effective immediately, the Medical Trust will allow claims for virtual provider appointments and will waive member costs for healthcare plan telehealth services for the rest of the year.

Until June 30, 2020, CPG will not be cancelling any group benefits or property & casualty insurance coverages or charging interest for failure to make timely payments.



CPG is offering financial relief in the form of clergy pension assessment waivers for the neediest congregations within the Episcopal Church. CPG has waived specific out-of-pocket expenses associated with coronavirus detection and treatment for members of The Episcopal Church Medical Trust, [here](#).