



Highlights of COVID-19 Legislation for the Veterinary Profession

Congress has taken unprecedented steps to respond to the COVID-19 outbreak and its impact on individuals and families, the health system and medical supply chain, and the economy. Two extensive packages of legislation were enacted in March 2020 - the **Families First Coronavirus Response Act** (FFCRA) and the **Coronavirus Aid, Relief, and Economic Security Act** (CARES Act). Together, these bills temporarily expand access to paid leave, direct support to individuals and families, suspend federal student loan repayment, broaden unemployment benefits to include support for those who are self-employed, and provide financial support for small businesses to maintain their workforce and operations with an opportunity for substantial loan forgiveness.

Here's what veterinarians and veterinary business owners need to know:

New Leave Requirements

Congress sought to support individuals and employees should they become ill, need to care for a sick family member, or remain home due to school closures or a childcare provider being unavailable, by providing new paid leave requirements in light of COVID-19. The leave requirements are effective April 1, 2020 through December 31, 2020. Congress also recognized this would put a strain on small businesses, so the bills provide a range of relief - through loans and tax policies - to help employers absorb these costs and remain viable during the COVID-19 outbreak.

- **Employers with fewer than 500 employees are required to provide Emergency FMLA to employees as well as paid sick leave.**
 - Emergency FMLA provides 12-weeks of job protected leave for childcare. First 10 days are unpaid, then leave is paid.
 - Full-time employees required 80 hours of paid sick leave.
 - Legislation includes daily and aggregate pay caps per employee.
- **Includes waiver if requirements jeopardize financial viability.** The legislation provides an opportunity for businesses with ***fewer than 50 employees*** to be exempt from the leave requirements ***should they threaten the business's financial viability***.
 - More guidance is expected from the Department of Labor (DOL) soon. In the meantime, veterinary practices should document any impact to their practice in anticipation of DOL regulations.

Supports for Small Businesses, Employee Retention and Ongoing Operations

- **Access to forgivable loans.** The legislation expands access to Small Business Administration (SBA) loans and establishes a new, temporary paycheck protection program to provide loans for payroll and other qualified costs for small businesses, sole proprietors, self-employed and independent contractors. The paycheck protection includes substantial loan forgiveness for qualified expenses. Learn more about how to access these programs and find more information [here](#).

- **Tax credits and tax deferrals to support small businesses.** While guidance from the Internal Revenue Service is needed, the law allows employers to receive an advance tax credit instead of having to be reimbursed on the back end. There are a number of tax policies included, such as:
 - Payroll tax credits, also available to self-employed individuals
 - A new retention tax credit to encourage businesses to keep workers on payroll during the crisis
 - A new tax-free benefit for employers providing student loan repayment (up to \$5,250; for 2020 only)

Individual Supports

- **Expands the size and scope of unemployment benefits.** Provides benefits to self-employed and independent contractors and others who may not have been previously eligible for unemployment. It also expands benefits by providing an additional \$600 weekly federal benefit.
- **Individual “recovery rebates.”** Provides a tax credit of \$1,200 for individual filers (\$2400 for joint filers) plus \$500 per child. The credit is phased out for individuals with adjusted gross income over \$75,000 (\$150,000 joint filers). The credit phases out completely at \$99,000 for individuals and \$198,000 for joint filers. The Administration is expected to advance the “rebate” tax credit as rapidly as possible.
- **Provides federal student loan relief for 6 months.** Provides six months of relief on federal student loan payments and suspends interest accrual (through Sept. 30, 2020). During this time, borrowers would receive credit for making payments in order to remain on track for loan forgiveness programs such as the Public Service Loan Forgiveness (PSLF) Program.
- **Relaxed rules on retirement accounts.** The law waives the 10% penalty on early distributions from retirement accounts for 2020. Any amount required to be included in income is allowed to be spread over three years.

The federal government has several departments engaged in implementation of the coronavirus response legislation, including the Department of Treasury, Department of Labor, Department of Education, and the Small Business Administration. Each has a website dedicated to COVID-19 resources and developments, available here:

- Department of Treasury Internal Revenue Service COVID-19 resources and guidance: <https://www.irs.gov/coronavirus>
- Department of Labor page for COVID-19 resources and most recent press releases: <https://www.dol.gov/coronavirus>
- Department of Education page for COVID-19 resources: <https://www.ed.gov/coronavirus>
- Small Business Administration COVID-19 resources: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Members are encouraged to submit questions on the CARES Act or the Families First Coronavirus Response Act via coronavirus@avma.org as they will help inform a FAQ document and other materials to follow.