

# COVID-19 resource guide for employers and employees

Keeping you well and well-informed™





Blue Cross & Blue Shield of Rhode Island (BCBSRI) has compiled a list of state and federal programs to help you navigate the challenges brought on by this pandemic.



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For the most up-date-to information on programs and policies, you can:

**Visit** the Rhode Island Commerce Corporation COVID-19 information page: <https://commerceri.com>

**Contact** the RI small business hotline at **(401) 521-HELP**.

**Log on** to the BCBSRI website for policy updates and more: <https://www.bcbsri.com/employers/coronavirus>

**Employer and employee resources** ►



## Paycheck Protection Program

Under the CARES Act, federally guaranteed loans of 250% (or 2.5 times) of the business's average monthly payroll costs, up to \$10 million, are available to small businesses. The portion of the loan used to cover payroll costs, interest on mortgage obligations, or rent and utilities may be forgiven if borrowers maintain their payrolls during the crisis or restore their payroll afterward. Businesses with up to 500 employees are eligible, including nonprofits, sole proprietors, independent contractors, and other self-employed individuals. Provisions are made for businesses with multiple locations to apply this threshold per location. Interest is a maximum of 4%, with a deferral of at least six months and up to one year.

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-0>

## Small Business Administration (SBA) Assistance

Businesses, including nonprofits, will be able to access funds up to \$2 million per business to help meet operating expenses. Apply online, receive additional disaster assistance information, and download applications at:

<https://disasterloan.sba.gov/ela>

For more information on disaster assistance, call SBA's Customer Service Center at **(800) 659-2955** or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Individuals who are deaf or hard of hearing may call **(800) 877-8339**.

## Emergency Economic Injury Disaster Loan Advance (Grants)

An eligible business that has applied for an economic injury disaster loan from the SBA may request an advance on that loan of not more than \$10,000, which will be distributed within three (3) days. This loan advance is not required to be repaid even if the SBA loan is subsequently denied.

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

## RI Bridge Loans

On April 1, 2020, Governor Gina Raimondo announced the availability of short-term bridge loans for small businesses (10 employees or fewer) and restaurants. These loans will be available after the small business applies for the SBA loan. Contact the Rhode Island Commerce Corporation at **(401) 521-HELP** or visit

<https://commerceri.com/emergency-grants-and-funding/>

## Technical Resources

Rhode Island Commerce Corporation is providing free 45-minute tech support sessions for small businesses and sole proprietors via Zoom or conference call. Help setting up work-from-home technology, online meetings, e-commerce, remote working security, or document management is provided by volunteer experts from Rhode Island's leading tech businesses. Several technical resources are also available.

<https://commerceri.com/tech-support-covid-19/>

## Short-time Compensation and WorkShare

The CARES Act provides funding to support "short-time compensation" programs, where employers reduce employee hours rather than lay off workers, and the employees with reduced hours receive a pro-rated unemployment benefit. This provision would pay 100% of the costs employers incur in providing this, through December 31, 2020.

The Rhode Island WorkShare program allows employers to retain skilled workers by reducing the hours of a group of employees. Employees whose hours and wages are reduced would be eligible to receive a portion of their regular unemployment insurance benefits to compensate for the lost wages.

<http://www.dlt.ri.gov/ui/ws.htm>



## Federal Tax Assistance

Under the CARES Act, numerous taxes are delayed, tax credits are advanced, and write-offs are expedited. The IRS is issuing guidance frequently; visit <https://www.irs.gov/coronavirus> for the latest information. Federal tax benefits include:

**Employee retention credit for employers subject to closure due to COVID-19** - Provides a refundable payroll tax credit for 50% of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended due to a COVID-19-related shutdown order, or (2) gross receipts declined by more than 50% when compared to the same quarter in the prior year. The credit is based on qualified wages paid to the employee.

**Delay of payment of employer payroll taxes** - Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government, with respect to their employees (the 6.2% Social Security tax on employee wages).

**Modifications for net operating losses, alternative minimum tax credit, business interest, and property improvement expenses** - These changes allow companies to utilize losses and amend prior-year returns to provide cash flow and liquidity during the COVID-19 emergency.

**Advance refunding of credits** - Allows employers to receive an advance tax credit from the U.S. Treasury instead of having to be reimbursed.

## Public Health Emergency Leave and Paid Sick Leave

Public health emergency leave and emergency paid sick leave programs are required for private employers of a certain size, and payroll tax credits are available to help employers help pay for these programs.

**Public health emergency leave** – Employers with fewer than 500 employees are required to allow employees who have been employed for 30 days to take up to 12 weeks of leave (i) due to exposure or symptoms of coronavirus; (ii) to care for a family member due to exposure or symptoms of coronavirus; or (iii) to care for a child under 18 because school or day care is closed to a public health emergency caused by the coronavirus. The first 10 days of the leave may be unpaid, but employees are allowed to use paid time off if available. Generally, leave must be paid at not less than 2/3 the regular rate of pay based on normally scheduled hours.

**Emergency paid sick leave** – Employers with fewer than 500 employees and governmental entities with more than one employee are required to provide sick leave to an employee who is required to self-isolate due to being diagnosed with coronavirus; to be tested; to comply with self-isolation due to exposure or symptoms; to care for a family member who is self-isolating; or to care for a child if school/daycare is closed due to coronavirus. Generally, sick leave is the equivalent of two weeks pay (i.e., 80 hours for a full-time employee, or the average hours worked in a two-week period for hourly employees), and is paid at the regular rate of pay for the employee and 2/3 the rate of pay for care of a family member.

**Payroll tax credits** – Employers subject to the public health emergency leave and emergency paid sick leave requirements are eligible to receive a credit against the payroll Medicare tax for sick and family leave.

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>

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



## Unemployment Insurance (UI)

**Expansion of eligibility** - Individuals not traditionally eligible for unemployment benefits—self-employed, independent contractors, those with limited work history, and others—who are unable to work as a direct result of the coronavirus public health emergency are eligible for unemployment insurance.

**Increase in benefits** - An additional \$600 per week payment is available to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months.

**Extension in compensation** - An additional 13 weeks of unemployment benefits is available through December 31, 2020.

**Immediate coverage** - Unemployment insurance is available without the traditional seven-day waiting period.

To apply: <http://www.dlt.ri.gov/ui/fileclaim2.htm>

**Support for furloughed/reduced time** - Unemployment insurance may partially replace wages lost due to a reduction in work hours.

See: <http://www.dlt.ri.gov/pdfs/COVID-19%20Workplace%20Fact%20Sheet.pdf>

## Rhode Island Temporary Disability Insurance (TDI) & Temporary Caregiver Insurance (TCI)

For COVID-19 related claims, the Department of Labor and Training (DLT) will waive the seven-day minimum amount of time that claimants must be out of work to qualify for TDI/TCI benefits. For individuals under quarantine, DLT will waive the required medical certification, and instead will allow them to temporarily qualify via self-attestation that they were under quarantine due to COVID-19.

TDI provides benefit payments to insured Rhode Island workers for unemployment caused by a temporary disability or injury, including quarantine.

TCI provides eligible claimants up to four (4) weeks of caregiver benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law, or grandparent.

To apply: <https://dltweb.dlt.ri.gov/TDIReserve/Home>

See: <http://www.dlt.ri.gov/pdfs/COVID-19%20Workplace%20Fact%20Sheet.pdf>

## Distribution from Retirement Accounts

An individual can take a distribution of up to \$100,000 from a retirement account without the 10% early withdrawal penalty. Any income tax liability can be paid over three years, or the person can re-contribute funds back to the retirement account. It must be a coronavirus-related distribution, meaning the person: (1) is diagnosed with COVID-19; (2) has a spouse or dependent diagnosed with COVID-19; or (3) experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19, or other factors as determined by the Treasury Secretary.



## **Economic Impact Payments (also referred to as rebates)**

All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work-eligible Social Security number, are eligible for the full \$1,200 (\$2,400 married) rebate. In addition, they are eligible for an additional \$500 per child. This is applicable even for those who have no income, as well as those whose income comes entirely from non-taxable, means-tested benefit programs, such as Social Security Insurance (SSI) benefits. For the vast majority of Americans, no action on their part will be required in order to receive a rebate check. This includes many low-income individuals who file a tax return in order to take advantage of the refundable Earned Income Tax Credit and Child Tax Credit. The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.

<https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

## **OUTSIDE RHODE ISLAND**

In addition to the programs identified above, the following resources are available.

### **For Massachusetts Employers and Residents**

<https://www.mass.gov/info-details/covid-19-resources-and-guidance-for-businesses>

Massachusetts does not have a disability benefit program. For information on unemployment, see:

<https://www.mass.gov/resource/information-on-unemployment-and-coronavirus-covid-19>

### **For Connecticut Employers and Residents**

<https://portal.ct.gov/Coronavirus/Information-For/Business-Resources>

Connecticut does not have a disability benefit program. For information on unemployment, see:

<http://www.ctdol.state.ct.us/UI-online/index.htm>

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*This Resource Guide provides an overview of certain state and federal assistance programs, available as of April 2, 2020, and is not intended as legal or tax advice. Please consult your tax, accounting, or legal advisor for more information.*



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