Implications of the COVID-19 Pandemic on African Americans & Communities of Color

ABA Section of Civil Rights & Social Justice
Presented by Anthony I. Butler
April 2, 2020
Agenda

- CARES Act – SBA Programs
- Employee Leave Modifications
- Collateral Impact
CARES Act

- Coronavirus Aid, Relief and Economic Security Act.*
- Signed into law on March 27, 2020
- Economic relief package aimed at providing relief for individuals and businesses that have been negatively impacted by the coronavirus outbreak


Payroll Protection Program

- Employers with less than 500 employees.
- Capped at $10 million the loans are 100% federally backed at a max of 4% interest rate.
- Uses limited to:
  - Continuing operations during the emergency
  - Retain workers and maintain payroll
  - Mortgage, lease and utility payments
  - Payroll may delay payroll taxes until January 1, 2021
Unemployment Benefits

- Each state must adopt the plan.
- Additional federal benefit of $600/week added to what is provided under state law (until 7/31/20).
- If unemployed or underemployed due to COVID-19 may be eligible for additional 13 weeks of benefits.

Recovery Rebate aka Stimulus Check

- $1,200 per adult; $500 per child.
- Phase out starting for taxpayers making $75,000 or more.
- Available even if you have no income but a return is filed.
Families First Coronavirus Response Act

- Two components of the Act.
  - Emergency Family & Medical Leave Expansion Act
  - Emergency Paid Sick Leave Act

- Emergency family and medical leave and *paid* sick leave related to COVID.
  - Covers sick or Quarantined employees
  - Leave for child care due to COVID school/daycare closures

- Effective April 1, 2020
  - For leave taken between April 1, 2020 and December 31, 2020
  - Leave taken in March 2020 is *not* eligible
Families First Coronavirus Response Act

Families First Coronavirus Response Act (cont.)

- Leave lasting longer than 10 days must be paid at two-thirds an employee’s regular rate of pay.
  - First 10 days may be unpaid
- Employees must be employed 30 calendar days prior to leave request.
- FMLA leave may be used before other paid leave.
Families First Coronavirus Response Act (cont.)

- Tax credits are available to mitigate costs to employers
  - 100% of qualified FMLA leave wages
Collateral Impact

- Housing Instability
- Food Insecurity
- Access to Health Care
- Employment
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