

FEDERAL GOVERNMENT AID PACKAGES TO COMBAT COVID-19

PHASE ONE

On March 6, Congress passed, and President Trump signed an \$8 billion emergency funding bill to help combat the coronavirus outbreak. This bill provided immediate funding to public health agencies to invest in containment and mitigation efforts in an attempt to stop the spread of coronavirus.

PHASE TWO

On March 14, the U.S. House of Representatives passed the Families First Coronavirus Response Act (H.R. 6201), which was negotiated between the administration and U.S. House of Representatives leadership. The U.S. Senate has not passed the measure but is expected to do so very soon.

In addition to expanding testing, unemployment insurance and nutrition waivers, the bill includes a number of provisions that would impact the recreational boating industry:

- ▶ **Emergency Family and Medical Leave Benefits:** Creates a new, one-year emergency family and medical leave benefits program designed specifically to address COVID-19. Under this program, eligible employees would be permitted to take 14 days of unpaid leave, for which they could substitute in vacation, personal, medical, or sick leave if desired. After those 14 days, employers would be required to provide paid leave to the employee at a rate of no less than two-thirds of their regular rate of pay. The total amount of leave available to employees under this section would be 12 weeks.
- ▶ **Emergency Paid Sick Leave:** Requires all employers with fewer than 500 employees and government employers to provide all full-time employees with 80 hours of paid sick time and part-time employees with hours equivalent to the hours they work over two weeks of paid sick time due to a diagnosis, care, order to remain home, or caregiving related to coronavirus.
- ▶ **A Tax Credit to Employers for Paid Sick and Paid Family and Medical Leave:** Provides employers and self-employed individuals a refundable tax credit equal to 100 percent of qualified paid sick leave and family leave wages paid by an employer.

PHASE THREE

While phase one and phase two of the federal aid packages have been mostly focused on health care needs and those directly impacted by the virus, the third phase is expected to address the economic impacts of the virus and support the industries that have been affected.

Earlier this week, the administration unveiled their phase three package, which asks Congress for at least \$850 billion in stimulus funding, including large financial assistance for airlines and a payroll tax holiday. Simultaneously, Senate Democrats developed a \$750 billion package that would take a different approach and address health care capacity, Medicaid funding, unemployment insurance, and relief from federal loans. Given that legislation will need to be passed on a bipartisan basis, congressional leaders and the administration will have to determine the programs through which to deliver assistance and how aid will be distributed among individuals, businesses, and sectors.

