

COMMISSION AGENDA

Item No: 6C
Meeting: 4/15/21

DATE: April 2, 2021
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jean West, Chief Human Resources Officer
Presenter: Michael Dehner, Sr Manager, Labor & Employee Relations
SUBJECT: Voluntary Continuation of the Emergency Paid Sick Leave pursuant to the American Rescue Plan Act

A. ACTION REQUESTED

Commission approval of voluntary extension of the Emergency Paid Sick Leave pursuant to the American Rescue Plan Act (ARPA) for the period of April 1, 2021 through June 30, 2021.

B. SYNOPSIS

In 2020, the Family First Coronavirus Response Act (FFCRA) required certain employers, including the Port, to provide their employees with paid sick leave and expanded paid family and medical leave for specified reasons related to COVID-19. These provisions were in effect April 1, 2020 to December 31, 2020.

On December 27, 2020, a new pandemic relief package was signed into a law providing for stimulus funds, extension of enhanced unemployment benefits, and other assistance. Notably, the legislation did not include a mandatory extension of the paid leave benefits previously granted under FFCRA but did provide an option to voluntarily extend the program. The Port elected to voluntarily extend the program through March 31, 2021.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and stated that FFCRA could be extended on a voluntary basis for the period of April 1, 2021 to September 30, 2021. Included in the ARPA are some important changes to the emergency paid sick leave provided under the previous version of the FFCRA:

- Eligible reasons for taking emergency paid sick leave include all the original reasons and, in addition, time off taken because an employee

is:

- seeking or awaiting the results of a test for or a diagnosis of COVID-19;
 - obtaining the COVID-19 vaccine; and
 - recovering from any injury or condition related to immunization.
- The ARPA provides a new allotment of 10 days of emergency paid sick leave, regardless of whether an employee has previously used this leave.
 - Commencing April 1, 2021, both public and private sector employers, including ports, will be eligible for tax credits.

C. BACKGROUND

Given the Port's priorities of employee safety and increasing the opportunities for staff to receive the COVID-19 vaccine, Eric Johnson, Executive Director has proposed to exercise the option to voluntarily extend Emergency Paid Sick Leave under the American Rescue Plan Act from April 1, 2021 through June 30, 2021. Continuing to provide this leave option will also further the goal of keeping the gateway open and operational.

D. SUMMARY OF CHANGES

Commission approval of voluntary extension of the Emergency Paid Sick Leave pursuant to the America Rescue Plan Act (ARPA) for the period of April 1, 2021 through June 30, 2021.

E. FINANCIAL IMPACT

The Port incurred \$41,293 in emergency paid sick leave costs in 2020 and \$19,386 in first quarter of 2021 for a total of \$60,679. We are projecting an estimated \$113,000 in emergency paid sick leave costs for the three-month period. This is based on an estimated 70% of employees obtaining the shots during work time and potentially in need of recovery from the vaccine.

The credit is the employer's social security tax on the leave. The tax credit based on estimated cost of \$113,000 is \$7,007 (6.2% x \$113,000)

F. ATTACHMENT TO THIS REQUEST

Summary of FFCRA's Emergency Paid Sick Leave with America Rescue Plan Act updates.

Emergency Paid Sick Leave Under the Families First Coronavirus Response Act (FFCRA), as Expanded by the American Rescue Plan Act (ARPA):

As of April 1, 2020, the FFCRA required employers to provide up to 80 hours of paid sick leave to employees who are unable to work due to the following specified COVID-19-related reasons:

1. The employee is subject to a federal, state, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.
4. The employee is caring for an individual who:
 - a. is subject to a quarantine or isolation order related to COVID-19 ; or
 - b. has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
5. The employee is caring for a child under the age of 18 due to closure of the child's school or unavailability of the child's childcare provider due to COVID-19.
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services.

Pursuant to ARPA, for the period of April 1, 2021 – September 30, 2021, employers may voluntarily opt to extend emergency paid sick leave for all the above reasons and, in addition, the following newly-covered reasons:

7. When an employee is seeking or awaiting the results of a test for or a diagnosis of COVID-19;
8. When an employee is obtaining the COVID-19 vaccine; and
9. When an employee is recovering from any injury or condition related to immunization.

ARPA also provided 80 hours of emergency paid leave, even for those employees who have previously taken this leave.

The ARPA provides a tax credit for private and public employers, including ports. The credit offsets the social security tax (6.2%) on the paid leave taken.