

Dear Fond du Lac Business Community;

With the Covid-19 epidemic impacting everyone, there are a number of important changes to employment law, contract law, and business law that every business needs to be aware of. This is the first of two emails we wanted to provide to the CITY business community to provide some level of clarity in this challenging time.

### **The Families First Coronavirus Response Act**

On March 18, 2020, President Trump signed the Families First Coronavirus Response Act with overwhelming bi-partisan support from the House and Senate. It creates some substantial burdens on employers of all sizes. Covered employees are anyone unable to work or telework because of:

1. 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 seeking a medical diagnosis;
4. The employee is caring for an individual who is subject to an order as described in subparagraph (1) or has been advised as described in paragraph (2);
5. The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions; and
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor. Except that an employer of an employee who is a health care provider or an emergency responder may elect to exclude such employee from the application of this subsection.

If an employee qualifies under one of these six requirements, and you are an employer with *fewer* than 500 employees; there are exceptions for those with less than 50 employees but an exemption must be requested. You must provide paid sick leave (and employers have an option to allow unpaid leave for the first 10 days). Full time employees are required to be paid up to 80 hours of emergency paid sick leave; part-time employees of covered employers are entitled to an amount of paid sick leave equal to the average number of hours they work over a two-week period. The limits to pay to employees who fall under items 1-3 is \$511 per day and \$5,110 in the aggregate; those who fall under items 4-6 may receive \$200 per day and \$2,000 in the aggregate. There is *no* seniority requirement to receive and you can't require an employee to use his or her normal vacation. Paid leave may be as much as You will be **required** to post notice of this right once the Department of Labor issues the same.

**Please note** that it is our expectation that the Order Governor Evers is expected to sign tomorrow will satisfy the employee identified in paragraph (1) and, therefore, it is critical everyone have a plan in place.

### **U.S. Small Business Administration (SBA) Loans**

Wisconsin officially requested federal disaster loans from the SBA this week and we expect that application will be approved quickly. Once approved, this means the SBA will offer low-interest loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

These loans are referred to as Economic Injury Disaster Loans (EIDL) and will be available for Wisconsin small businesses, agricultural cooperatives and nonprofit organizations. The key facts to know are the following:

- Loans are available for "substantial economic injury", which means your business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
- Loans are available up to \$2 million, with the exact amount based on your actual economic injury and your company's financial needs.
- Loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the impact of Covid-19.
- The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- The term of the loan can be up to 30 years, but the exact repayment schedule will be determined on a case-by-case basis.

If you have any questions, concerns, or would like any assistance, please do not hesitate to contact us at the Dempsey Law Firm for assistance. Stay safe, stay healthy, and we will all get through this together.

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