

Federal Programs, Finances, and Congregational Staffing in Light of COVID-19

Federal Programs and Congregational Finances/Staffing for Congregational Leaders and Staff

Updated: April 9, 2020

With UUA Staff and Co-Sponsored by the
Unitarian Universalist Ministers Association

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UUA Office of Church Staff Finances

Our Mission

Guided by the values of our faith,
we equip congregations for excellence as employers and their staff for financial competence and well-being.



Our Time Together

- Values
- Caring for Staff
- Families First Law
- CARES Law
- UUA Guidance
 - Staff
 - Finances
- Resources



Congregations as Employers During COVID-19

Refer to
Congregations as Employers
During the Pandemic

<https://www.uua.org/leadership/library/employer-pandemic>

Start with Values

- Kindness and compassion
- Interdependence
- Equity
- Creativity
- Resilience



Congregations as Employers During COVID-19

Refer to
Congregations as Employers
During the Pandemic

<https://www.uua.org/leadership/library/employer-pandemic>

Caring for Staff

- Staff as leaders, modelers, tone-setters
- Self-care and safety are paramount
- Urgency, anxiety, and exhaustion
- Cultural norms
- What's essential?



Congregations as Employers During COVID-19

Refer to
Congregations as Employers
During the Pandemic

<https://www.uua.org/leadership/library/employer-pandemic>

Caring for Staff: Supervision and Teams

- Great supervision/team resources on uua.org
- Make strong statement about safety and care for staff
- Voices of the team at the table
- What do staff need from their supervisors right now?
- Ways to maintain a sense of team during physical distancing?



New Federal Laws

Families First Coronavirus Response Act (PL 116-127)

March 18, 2020

- Emergency Paid Sick Leave
- Emergency Family and Medical Leave Expansion
- Employer Reimbursement through Tax Credits

Coronavirus Aid, Response, and Economic Security Act (CARES)/PL 116-136

March 27, 2020

- Payroll Protection Program (PPP)
- SBA Economic Injury Disaster Loans and Grants
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Unemployment Insurance
- Paid Family and Medical Leave Benefits Upon Rehiring
- Health Care
- Retirement Provisions
- Education Assistance
- Individual Taxpayer Rebate



Families First Highlights

For details, see
UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Paid Sick Leave (April 1 to December 31, 2020)

- **Mandatory Benefit:** Employers **required** to provide 80 hours of additional sick leave (pro-rata for part-time) to employees who are unable to work due to:
- **Group 1:**
 - 1) An order to quarantine;
 - 2) Advice to self-quarantine;
 - 3) Experiencing symptoms of COVID-19 and seeking treatment;
- **Group 2:**
 - 1) Caring for an individual subject to a quarantine order/self-quarantine order;
 - 2) Caring for a child whose school or child care provider is closed; or
 - 3) Experiencing any other substantially-similar condition specified by HHS
- **Notification:** All employees, full time and part-time, need to be notified of this benefit. Our Federal Policies website has the one-page flyer required to be posted by each employer by the Department of Labor
https://www.dol.gov/sites/dolgov/files/WHD/posters/FFCRA_Poster_WH1422_Non-Federal.pdf



Families First Highlights

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Emergency Paid Sick Leave (April 1 to December 31, 2020)

- **Employers Fully Reimbursed:** Employers qualify for dollar-for-dollar reimbursement, up to the salary caps, through tax credits against employee withholding (explained later).
- **Salary Provisions:**
 - **IF Health/Quarantine-Related (Group 1):** Regular pay rate for individuals quarantined and/or experiencing COVID symptoms and seeking diagnosis up to \$511/day or \$5,110 over two weeks.
 - **IF Child-Care Related and/or Care of an Individual Quarantined or Self-Quarantining (Group 2):** 2/3rds of the employee's regular pay rate up to \$200/day (\$2,000 over two weeks) for individuals unable to work due to caring for an individual quarantined, or caring for a child whose school or child care provider is closed
 - Employers **may pay more**, but the Federal reimbursement through tax credits will not exceed the maximum salary caps.



Families First Highlights

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Emergency Family and Medical Leave Expansion (April 1 to December 31)

- **This is a new paid FMLA benefit generally unrelated to the existing unpaid FMLA law.**
- **Mandatory Benefit:** Employers **must provide paid leave**, up to 12 weeks, to employees unable to work, including telework, **due to closure of child's school/daycare** (pro-rata for part-time)
- **Notification:** **All employees, full time and part-time, need to be notified of this benefit.**
- **Partial Leave is possible.** For instance, working 3 days/week and off 2/days or working 4 hours each day, but off 4 hours.
- **Initial Two Weeks:** Employers are not required to pay for the initial 10 days; employees may substitute the new Paid Sick Leave provision (previous slide) or accrued vacation/personal/sick time as provided by the employer
- **Existing FMLA vs. Emergency FMLA:** This new provision is unrelated to the unpaid FMLA law. However, employers with 25 or fewer employees are not required to restore employee if conditions have changed



Families First Highlights

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UUA Families First Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_families_first_fact_sheet.pdf

Emergency Family and Medical Leave Expansion (April 1 to December 31)

- **Salary Provision:** Employers must pay at least 2/3 of regular wages (up to \$200/day) for up to 10 weeks of family and medical leave under this provision. Maximum, federally reimbursable, salary is \$10,000/per individual under the FMLA and \$12,000 total (including Paid Sick Leave)
- **Salary Beyond the Cap:** Employers **may pay more** than the maximum amounts, but the federal reimbursement through payroll tax credits will not exceed the caps.
- **Initial Two Weeks:** Employers are not required to pay for the initial 10 days; employees may substitute the new Paid Sick Leave provision (previous slide) or accrued vacation/personal/sick time as provided by the employer
- **Tax Credit Reimbursement:** Employers qualify for dollar-for-dollar reimbursement through tax credits against employee withholding.



Families First Highlights

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UUA Families First Fact Sheet

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Employer Reimbursement for Paid Sick and Paid Family Medical Leave through Tax Credits

- Employers are eligible for 100% federal reimbursement of Paid Sick Leave and Paid Federal Family Medical Leave up to specific limits.
 - *\$5,110/individual for paid Sick Leave for COVID symptoms or quarantine-related compensation*
 - *\$2,000/individual for paid Sick Leave for taking care of a child or individual ordered quantined*
 - *\$12,000/individual for paid FMLA (including \$2,000 for Paid Sick Leave if taken)*
- Tax credits administered by IRS; Employers are reimbursed by taking a credit against the employer share of social security taxes (6.2%); If amount to be refunded is more than owed, then the excess is refunded to the employer
- Tax credits sunset on December 31, 2020



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Employer Reimbursement for Paid Sick and Paid Family Medical Leave through Tax Credits: An Example (Employee caring for a child)

Annual Payroll	260,000	40,000	Employee Tax FMLA
Monthly Payroll	21,667	3,333	Monthly Salary of employee
FICA (Employer)/7.65%	1,658	154	Daily Salary (approx.)
<u>Less Medicare tax (1.45%)</u>	<u>(314)</u>	103	2/3 daily Salary (below\$200)
Subtotal (6.2% Soc Sec)	1,344	2,266	(Daily vs. 22 days)
Employer Reimbursement (2,266)			
Feds will provide an additional payment	922		



CARES ACT Highlights

For details, see
SBA Guide

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Small Business Administration (SBA) Loans to support Congregational Payroll and other (limited) Operations:

- Paycheck Protection Program (PPP)
- “Economic Injury” Disaster Loans

This is definitive guidance from the SBA that congregations meet the criteria of both the Paycheck Protection Program and the Emergency Economic Injury Disaster Loan/Grant Program. This FAQ can be downloaded at: <https://www.sba.gov/document/support-faq-regarding-participation-faith-based-organizations-ppp-eidl>



CARES ACT Highlights

For details, see
SBA Guide

<https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

Paycheck Protection Program (PPP/Triple P)

- The **Paycheck Protection Program**, through the Small Business Administration (SBA), offers a significant federal grant for payroll, benefits, and selective operating costs – sufficient funding to avoid disruptive staff reductions. Most, if not all, of the loan may be forgiven. It is imperative for congregations to submit a timely application as soon as possible after April 3.
- **PPP is a new SBA loan program (\$349 Billion)** based on the existing 7(a) and not the disaster loan program
- **The SBA issued the Interim Final Rule on April 2 and subsequent addendums**



CARES ACT Highlights

For details, see
SBA Guide

<https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

Paycheck Protection Program (continued):

- The SBA issued a “**Faith-Based Organizations FAQ**” late on April 3. In response to a question asking whether churches qualify if they don’t have an IRS Determination letter, the SBA writes:

Churches (including temples, mosques, synagogues, and other houses of worship), integrated auxiliaries of churches, and conventions or associations of churches qualify for PPP and EIDL* loans as long as they meet the requirements of Section 501(c)(3) of the Internal Revenue Code, and all other PPP and EIDL requirements. **Such organizations are NOT required to apply to the IRS to receive tax-exempt status. See 26 U.S.C. S. 508(c)(1)(A)**



CARES ACT Highlights

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(PPP) Maximum Loan: 2.5 Times the Average Monthly Payroll over the past year, excluding annual compensation above \$100,000 for any individual, prorated for February 15 through June 30 as follows:

1. Aggregate payroll costs (defined later) from the last 12 months for employees;
2. Subtract any compensation paid to an employee in excess of an annual salary of \$100,000
3. Calculate average monthly payroll costs (divide the amount from Step 2 by 12)
4. **Multiply the monthly payroll costs from Step 3 by 2.5**
5. Add the outstanding amount of an Economic Injury Disaster Loan(EIDL) made between Jan 31, 2020 and April 3, 2020; less the amount of any “advance” under an EIDL-COVID-19 loan (because it does not have to be repaid)
6. The result is the amount of the loan that the organization can apply for



CARES ACT Highlights

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<https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

Paycheck Protection Program (continued)

- What qualifies as “payroll costs”
 1. Compensation to employees in the form of salary, wages, commissions, or similar compensation (**Use GROSS Wages before payroll reductions for FICA, payroll taxes, Insurance Premiums, and employee retirement contributions**)
 2. Payment for vacation, parental, family medical, or sick leave (if not included above);
 3. **Employer-paid** premiums for group health, dental, life, disability, or similar insurance* (We’re recommending including payments to employees who have group insurance through a spouse or through Medicare)
 4. **Employer** Contribution to retirement account
 5. Payment of state and local taxes assessed on compensation of employees
 6. DO NOT INCLUDE:
 1. the compensation in excess of \$100,000 for any individual (this cap applies only to salary/housing and not benefits. The cost of employer-paid benefits can exceed the \$100,000 cap.
 2. the **employer’s** share of FICA; the employee’s share is included as part of Gross Wages
 3. Qualified sick and family leave wages for which a credit is allowed under the Families First Act.
 4. **Independent Contractors do not count for purposes of a borrower’s PPP Loan Calculation**



CARES ACT Highlights

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Paycheck Protection Program (continued)

Question: How is clergy housing allowance treated? Can it be included in the payroll total, or not?

- This question has been asked, but no guidance has been provided yet. In fact, some lenders have accepted housing as part of payroll, while others haven't.
- **Reported on the W2:** It is optional for congregations to include the housing allowance in the informational box (14) on the W2. If reported, lenders may be more likely to allow it.
- **Recommendation:** Include both gross salary and housing allowance for clergy up to \$100,000 while awaiting further guidance. You may have to explain the discrepancy from your Form 941s.



CARES ACT Highlights

For details, see
SBA Guide

<https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

Paycheck Protection Program (continued)

- **Use of Loan:**
 1. Payroll costs (as already described)
 2. Costs associated with group health insurance during periods of paid sick, medical, or family leave, and insurance premiums
 3. Mortgage Interest Payments (but not mortgage prepayments or principle payments)
 4. Rent payments
 5. Utility payments
 6. Interest on any debt obligations incurred before February 15, 2020



CARES ACT Highlights

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SBA Guide

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Paycheck Protection Program (continued)

Loan Forgiveness: If used for qualified expenses, all or most of the loan will be forgiven. The actual amount of forgiveness depends upon:

1. the total amount of payroll costs,
2. interest on mortgage obligations incurred before February 15, 2020,
3. rent payments on leases before February 15, and
4. utility payments under service agreements dated before February 15
5. Over the **8-week period following the date of the loan.**
6. At least 75% of the loan proceeds must be attributed to payroll-related costs.



CARES ACT Highlights

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SBA Guide

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Paycheck Protection Program (continued)

Forgiveness Formula: It's unclear how the forgiveness calculation will be done, but the SBA Interim Final Rule (page 14) states: "The actual amount of loan forgiveness will depend, in part, on the total amount of payroll costs, payments of interest on mortgage obligations incurred before February 15, 2020, rent payments on leases dated before February 15, 2020, and utility payments under service agreements dated before February 15, 2020, over the eight-week period following the date of the loan...**The SBA will issue additional guidance on loan forgiveness.**"

Possible Formula:

Numerator: FTE Employees upon conclusion of 8-week loan period

Denominator: Average FTE Employees using either:

**January 1, 2020 through February 19, 2020 OR
February 15, 2019 through June 30, 2019**



CARES ACT Highlights

For details, see
SBA Guide

<https://www.sba.gov/sites/default/files/2020-04/SBA%20Faith-Based%20FAQ%20Final.pdf>

Paycheck Protection Program (continued)

- **Loan Terms:**
 1. **Maximum Interest rate of 1.0% (as of April 2);**
 2. Payments deferred for 6 months;
 3. No Collateral;
 4. No Fees
 5. Repayment, if not forgiven, over 2 years



CARES ACT Highlights

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Paycheck Protection Program (continued)

- **Application Process:** Beginning April 3, applications will be accepted at SBA Approved Lenders (most banks). Quick Turn-around time. Applications will be processed through June 30, or until funds are depleted. First come/first funded...
- **Application Form:** <https://www.sba.gov/sites/default/files/2020-04/PPP%20Borrower%20Application%20Form.pdf>
 - **Application:** The Application is not designed for nonprofit governance
 - **Ownership:** Answer “Not Applicable – 501(c)(3) Nonprofit”
 - **Salary Documentation:** Your lender will probably want 2019 payroll information/payroll journals, while others may want the last 12 consecutive months, or all of 2019 plus January-March 2020. Do Not include 1099 employees. While unclear, many are including the minister’s housing allowance, together with salary, up to \$100,000.
 - **Number of Employees:** In answering the “number of employees” question, it may be best to answer with FTE rather than total number of employees. This would also be the approach when seeking loan forgiveness if your lender doesn’t specify.
- **Act Fast to Avoid Bottlenecks.** Banks are likely to service their customers first.



CARES ACT Highlights

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SBA Guide

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(PPP) What needs to be certified? As part of your application, **you need to certify** in good faith that:

- **Current economic uncertainty makes the loan necessary to support your ongoing operations.**
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS (Form 941).
- You also understand, acknowledge, and agree that the lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



CARES ACT Highlights

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Emergency Economic Injury Loans and Grants (EIDL)

- **Makes loans available under Section 7(b)(2) for financial needs attributed to COVID-19**
- **Up to \$2 million loan; Loans less than \$200,000 can be approved without a personal guarantee. 30-year loan with an interest rate of 2.75% for nonprofits;**
- **Eligible Expenses:** Payroll costs, including benefits; fixed debts (mortgage, rent, leases), accounts payable, and other bills. This is designed to assist organizations experiencing revenue shortfalls.
- **Covered period is January 31, 2020 through December 31, 2020 (11 months)**
- **Eligibility:** Specifically authorizes “faith-based organizations.”



CARES ACT Highlights

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Emergency Economic Injury Loans and Grants (EIDL)

- The SBA Faith-based Organizations FAQ, issued April 3, 2020, answers the question, “Are there any limitations on how faith-based organizations can use PPP and EIDL loan money they receive?”
- The SBA response is: “Only the same limitations that apply to all other recipients of these loans. The PPP and EIDL loan programs are neutral, generally applicable loan programs that provide support for nonprofit organizations without regard to whether they are religious or secular. **The CARES Act has provided those programs funds as part of the efforts to respond to the economic dislocation threatened by the COVID-19 public health emergency. Under these circumstances, the Establishment Clause does not place any additional restrictions on how faith-based organizations may use the loan proceeds received through either the PPP or EIDL loan program...In addition, the CARES Act does not impose unique burdens or limitations on faith-based organizations. In particular, loans under the program can be used to pay the salaries of ministers and other staff engaged in the religious mission of institutions.**”



CARES ACT Highlights

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Emergency Economic Injury Loans and Grants

- Applicants for an Emergency Economic Injury Loan can request an advance of up to \$10,000 that may be distributed within 3 days of application. This grant does NOT have to be repaid.
- Loan funds can be used for sick leave due to COVID-19, maintaining payroll, rent, mortgage payments, and other limited obligations.
- **Note: if applicant receives a PPP loan, the \$10,000 grant forgiven under this program can not be forgiven under the PPP loan. Also, the Cares Act prohibits borrowers from taking out two loans for the same purpose.**
- **How to Apply:** Apply online for EIDL at: www.SBA.gov/disaster



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Employee Retention Credit

Allowances that help employers pay their employees

- **Employers obtaining a PPP loan are not eligible for this credit.**
- **Eligibility:** If Employer fully or partially suspends operations due to a government order, or if revenue declines 50% or more compared to the same calendar quarter in 2019
- **Credit: The Maximum reimbursement is \$5,000/employee.** Employers can receive a tax credit equaling **50% of all qualified wages** paid to an employee (whether working or not) between March 13 and December 31, 2020 in each calendar quarter, up to a total of \$10,000 wages per employee for all .
- Credit is against an employer's employment taxes for each quarter, with any excess refunded to the employer.
- **Wages paid to Ministers in the exercise of their ministry are excluded under IRS 3121 because their wages are not subject to FICA**
- **Employers can't include payments under the Paid Sick Leave or Paid Family Medical Leave provisions of the CARES Act.**



CARES ACT Highlights

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Payroll Tax Deferral/Help in Retaining Staff

- The Act creates a “**Payroll Tax Deferral Period**” from March 27 through December 31. Employers may **defer** payment of the “employer share” of Social Security (6.2%)
- 2020 **deferred taxes must be paid** in the following two years – half by December 31, 2021 and half by December 31, 2022)
- **Clergy** who pay self-employment taxes (SECA) can defer 6.2% of their 15.3% tax obligation, but the Medicare portion along with their “employee” share needs to be paid on time.



CARES ACT Highlights

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Unemployment Insurance

Creates new Pandemic Unemployment Assistance program to help those not traditionally eligible

- **Eligible Individuals** are unemployed, partially unemployed, or unable to work due to a diagnosis of COVID-19, experiencing symptoms, someone in their household has been diagnosed, caring for a child due to school or childcare closure, quarantine orders, or their place of employment has closed due to COVID-19.
- Workers are eligible for 39 weeks of unemployment assistance through December 31, 2020
- Additional \$600/week to each UI or Pandemic Unemployment Assistance recipient through end of July
- Funding for the 1st week of unemployment for states to waive traditional “waiting week”
- Provides 13 additional weeks to help those remaining unemployed after state UI no longer available
- Church employees are eligible although state implementation may lag

Paid Family and Medical Leave Benefits Upon Rehiring

Allows some laid off employees to have access to paid family and medical leave if rehired

- Employers can receive an advance tax credit instead of reimbursement on back end.



CARES Highlights (continued)

For details, see
UUA CARES Fact Sheet

https://www.uua.org/sites/live-new.uua.org/files/ocsf_cares_fact_sheet.pdf

Health Care

Provisions to help employees with health-related expenses

- Private insurance must cover testing in full
- Changes use of HSAs paired with high-deductible plans through Dec 31: covers telehealth before meeting deductible
- Allows use of HSAs, HRAs, and FSAs for over-the-counter products without a prescription
- Allows HSAs, HRAs, and FSAs to include menstrual products as qualified medical expenses
- **The UUA Health Plan (including UUA High Deductible Plans):**
 - has been waiving all fees for COVID-related testing and telemedicine fees.
 - It has also been waiving deductibles, coinsurance, and copays for all types of in-network and out-of-network virtual medicine regardless of medical diagnosis. **The visit does not have to be COVID-19 related.**
 - **The UUA Health Plan Committee has just authorized first dollar coverage of hospitalization resulting from a COVID-19 diagnosis. The covered individual would not pay normally applicable out-of-pocket expenses.**



CARES Highlights (continued)

For details, see
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Retirement Plan Provisions:

Suspension of Required Minimum Distributions (RMD): To help provide additional financial resources to those required to take RMDs, the CARES Act suspends RMDs for everyone in 2020, while resuming them in 2021. Individuals who had to take a RMD for 2019 still had to take it by April 1, 2020.

Optional Retirement Provisions: The UUA Retirement Plan Committee, meeting April 8, approved opting-in to the optional provisions of the CARES Act pertaining to retirement plans. These provisions are temporary (through December 31, 2020) and largely apply to individuals who self-certify that they have been affected by COVID-19.

***Eligibility:** The temporary COVID-19 provisions apply only to individuals who self-certify that they have been affected by COVID-19 including:

- being diagnosed with COVI-19,
- having a spouse or dependent diagnosed, or
- experiencing adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced, or being unable to work due to lack of child-care or school closure.



CARES Highlights (continued)

For details, see
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Retirement Plan Provisions (continued):

Distributions: Individuals, affected by COVID-19*, can take distributions from their retirement plan(s) as follows:

- For those in-service and under 59.5 years of age: the 10% early withdrawal penalty and the 20% tax withholding requirement is waived up to \$100,000 across all qualified retirement plans and IRAs. The amount distributed is still taxable income even though the 20% withholding has been waived. Participants can request TIAA to withhold 20% though.
- For those over 59.5 years of age: The 20% mandatory tax withholding for non-clergy is waived, although the amount distributed is still taxable. Participants can request TIAA to withhold the 20% though.
- Individuals have the option to pay the income tax owed on this distribution over 3 years with **the ability to recontribute these funds back into their retirement account regardless of contribution limits. Funds timely returned will not be subject to taxation.**
- Individuals are strongly urged to **consult a personal tax advisor** in order to make wise choices regarding longer-term tax consequences based on individual circumstances.



CARES Highlights (continued)

For details, see
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Retirement Plan Provisions (continued):

Loans: The existing federal limit on loans from one's retirement account, currently the lower of \$50,000 or 50% of your account balance, has been changed by the CARES ACT to:

- \$100,000, or 100% of the account balance whichever is lower. The existing 5-year repayment period for non-residential loans hasn't changed so monthly repayments will be high.
- **All loan repayments may be suspended**, upon request, for 12 months although interest continues to accrue, and the loan will be re-amortized. Contact TIAA to suspend loan payments.
- Participants self-certify that they have been affected by COVID-19 including being diagnosed with COVID-19, having a spouse or dependent diagnosed, or experiencing adverse financial consequences as a result of being quarantined, furloughed, laid off...or having work hours reduced, or being unable to work due to lack of child care or school closure.



CARES Highlights (continued)

For details, see
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Education Assistance

Allows employers to provide a student loan repayment benefit tax-free

- Employer may contribute up to \$5,250 annually per employee – excluded from employee's income
- In effect through 2020.
- Principal and interest payments are deferred on federal student loans through September 30, 2020. No interest will accrue.

Individual Taxpayer Rebate

Taxpayer rebates to U.S. residents who are not dependents of another and have work-eligible SSN

- \$1,200 rebate for AGI under \$75,000 (\$12,500 for head of household, \$150,000 for married filing jointly)
- \$500 additional per child under 17 years old.
- Rebate reduced by \$5 for each \$100 exceeding above thresholds
- Phased out completely at \$99,000 (146,500 for head of household, \$198,000 for joint filers with no children)



UUA Recommendations

Refer to
UUA Finances/Staffing Memo

https://www.uua.org/sites/live-new.uua.org/files/covid-19_staffing_and_finances_memo.pdf

Finances and Stewardship Considerations

- Key time to thank donors for support
- Encourage keeping regular canvass and budget timing
- Perhaps Craft 2 versions of budget:
 - 1) Assuming re-opening of buildings and resuming “in-person” ministry by September, and
 - 2) Assuming a slower restart with usual operations returning to “normal” by January (e.g. rental income, events, concerts slowly restarting)
- Keep in mind potential savings from lighter operations
- Prudent use of unrestricted reserve or endowment funds
 - The pandemic qualifies as an emergency.
 - Downside of withdrawing when valuation is low.
 - UU Common Endowment page: <https://uucef.org/>



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Staffing Considerations

1) Immediate issues

- Be flexible, understanding, and generous
- Acknowledge different work and new skills: short-term position description adjustments
- Backup plans: cross-train, protect against single points of failure
- Review personnel policies for sick and medical leave; Families First provisions

2) Short-term staffing: pay staff through June

- Shows care for employees
- Avoids disruptions that will slow your return to full functioning
- Federal initiatives to help (see Payroll Protection Program)
- For staff with irregular hours, use average hours over the past two months or more



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Staffing Considerations

3) Staffing Beyond June

- We will learn more in the weeks ahead – course of virus, pledge impact, etc.
- Be transparent with staff and involve them in conversation that impact their work and pay
- Possibilities:
 - Continue staffing at pre-virus levels
 - Reduction in staffing
 - i. Temporary salary/hours/responsibilities reduction
 - ii. Furloughs (temporary layoff)
 - iii. Layoffs/terminations – follow personnel policies
 - Reductions in hours may have implications for benefits
 - i. UUA insurance plans: must be scheduled to work 750 hours/year
 - ii. UUA Retirement Plan: “Once in, always in.” An employee eligible for employer contributions will still be eligible, even if hours drop.



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Staffing Considerations

4) Employee Benefits

A. Health Insurance - very important right now!

- UUA Plan or another employer plan
- Can reimburse incremental cost of another *group* plan (e.g., spouse), but not an individual plan.
- If furloughed, laid off, or terminated, try to make effective date last day of month.
- Employees eligible for COBRA (18 months or more). COBRA also applies to Dental.
- Offer to pay first 3 months or more of COBRA if laying off.

B. Life and Long-Term Disability

- Employee may retain coverage for up to 60 days if congregation pays premium. (Interim and transitioning staff may be eligible for up to 6 months in between positions.)

C. UUA Retirement Plan

- Elective deferrals must be submitted swiftly. Employer contributions by end of fiscal year.
- Employers must remit contributions. Cannot re-designate as salary. Employees cannot opt out.
- Changing Employer Contribution Amount must be done ahead of the calendar year. Must submit a new participation agreement to the UUA Retirement Plan Committee



UUA Recommendations

UUA Covid-19 Fund

UUA is soliciting funds to the COVID-19 that will provide support to:

- **UUA Disaster Relief** provides assistance to UU Congregations and community partners in their community who are assisting people who are at significant risk to health and livelihood because of COVID-19.
- **UUA Living Tradition Fund** assists ministers, surviving family members, other religious professionals and congregational staff, who are in need due to extraordinary expenses.

To Donate:

<https://www.uua.org/giving/areas-support/funds/covid-19-response>



UUA Pandemic Resources

UUA Resources on COVID-19

- Congregations as Employers During the COVID-19 Pandemic: <https://www.uua.org/leadership/library/employer-pandemic>
- Federal Policies: <https://www.uua.org/leadership/library/federal-policies-pandemic>
- COVID-19 and Your Congregation: <https://www.uua.org/safe/pandemics/covid-19>
- Planning/Addressing the Pandemic: <https://www.uua.org/safe/pandemics>
- Stewardship: <https://www.uua.org/leadership/library/stewardship-distance>
- Talking to Children about COVID-19: <https://www.uua.org/leadership/library/talking-kids-covid>
- UUA Common Endowment: <https://uucef.org/>
- Donate to the UUA COVID-19 Response Fund: <https://www.uua.org/giving/areassupport/funds/covid-19-response>
- Our Congregations as Employers page for compensation, benefits, staff support, and more: <https://www.uua.org/leadership/congregations-as-employers>
- Compensation and Staffing News monthly newsletter signup: <https://www.surveymonkey.com/r/compnewssignup>



Thank You!

Contact Us

Jan Gartner, JGartner@uua.org

- First contact for staff-related concerns: salaries and benefits, supervision and teams, etc.
- May direct you to other Office of Church Staff Finances team members (or regional staff)

Richard Nugent, Rnugent@uua.org

- Aid funds
- Best contact for details of Families First and CARES



Questions

