# Coronavirus Laws and Your Dealership: Part VII

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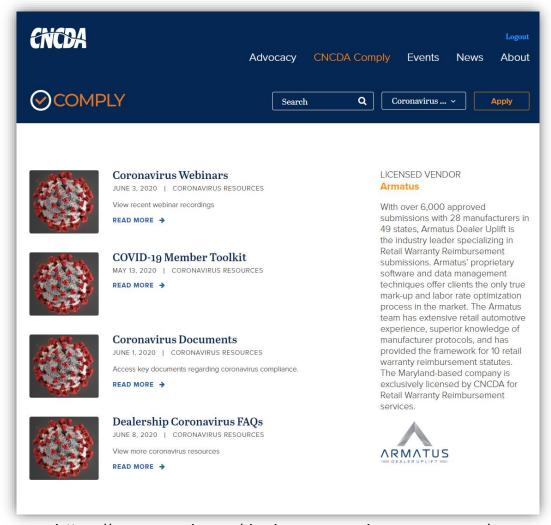


## What are we covering today?

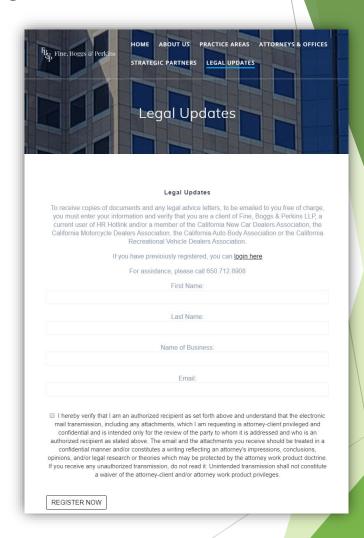
- Status of Dealership
   Operations
- 2. Key Resources and Existing Requirements
- 3. Vaccine Issues
- 4. Sick Leave
- 5. Review



#### Free Online Resources for CNCDA Members



https://www.cncda.org/dealer-coronavirus-resources/



https://www.employerlawyers.com/legal-updates/

## CNCDA COVID-19 Member Toolkit

- Contains many helpful resources on issues discussed in this webinar
  - Links to CNCDA resources (e.g., return to work protocol)
  - Links to important state, federal, and local resources.
- Available on CNCDA Comply
  - https://www.cncda.org/publication s/covid-19-toolkit/

#### MEMBER TOOLKIT



#### Restarting California's New Car Dealerships in the Wake of COVID-19

#### OVERVIEW

This CNCDA Member Toolkit is designed to help dealerships implement new protocols and procedures, ensuring the health and safety of consumers and employees, in the wake of the COVID-19 crisis. This document is not intended as legal advice, nor is it intended to be comprehensive regarding all COVID-19 compliance matters. Instead, this toolkit is designed as an informational checklist, which includes key resources for critical areas that dealerships need to be aware of as they reopen to the public and begin to resume day-to-day operations. Dealers should also note that while CNCDA intends to use its best efforts to update this document, COVID-19 compliance issues continue to change quickly. For legal advice, contact competent counsel.



#### **Key Resources**

- State of California Industry Guidance and Checklist on Auto Dealership COVID-19 Operations
- Cal/OSHA Guidance on Requirements to Protect Workers from Coronavirus
- Centers for Disease Control and Prevention (CDC) <u>Interim Guidance for</u> Businesses and Employers to Plan and Respond to COVID-19

#### GENERAL REQUIREMENTS

- Designate someone at your dealership that is responsible for COVID-19 health and safety compliance.
- Purchase equipment necessary to comply with health requirements (e.g., face masks, touchless body thermometers, hand sanitizers, disinfectant wipes, etc.).

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#### COVIDfor Automobile Dealerships and Rental Employers

This checklist is intended to help automobile dealerships and rental employers implement their plan to prevent the spread of COVID-19 in the workplace and is supplemental to for Automobile Dealers and Rental Employers. This checklist is a summary and co for some parts of the guidance; familiarize yourself with the guidance before using the first of the contraction.

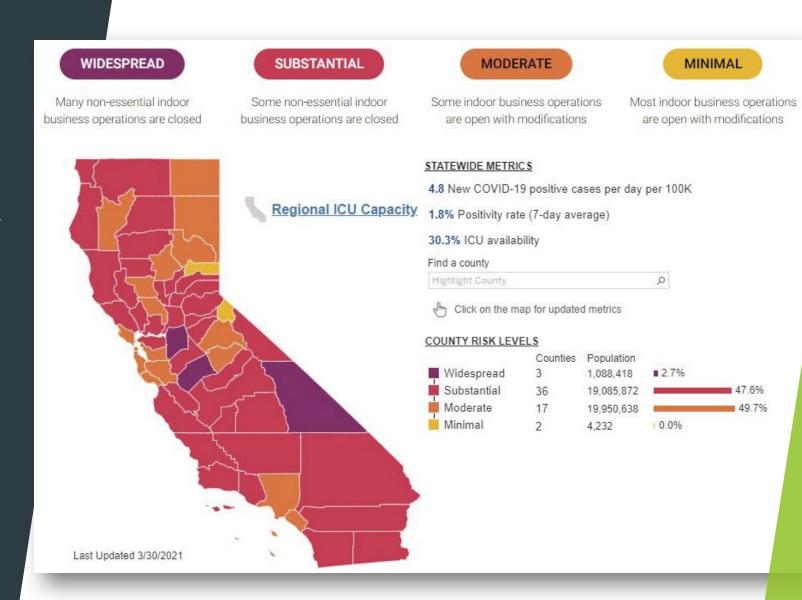


## Contents of Written Workplace State Plan The person(s) responsible for implementing the plan The person(s) responsible for implementing the plan The person (s) responsible for implementing the person (s) responsible for implementing the person (s) responsible f

- A risk assessment and the measures that will be taken to prevent spread of virus.
- Use of face coverings, in accordance with the
- Training and communication with workers and worker plan.
- A process to check for compliance and to depend to the process to investigate COVID-
- identify and iso

## Status of Dealership Operations

- Most California dealerships are in counties located in the red (substantial) or orange (moderate) tier levels.
- Dealership occupancy limits by county tier level:
  - ▶ Purple 25% capacity
  - Red 50% capacity
  - Orange and Yellow No capacity limits under "Blueprint for Safer Economy"
- Must observe applicable health and safety requirements (e.g., social distancing, face coverings, sanitation, etc.)
  - See CNCDA COVID-19 Member Toolkit for more information.



#### Status of Dealership Operations

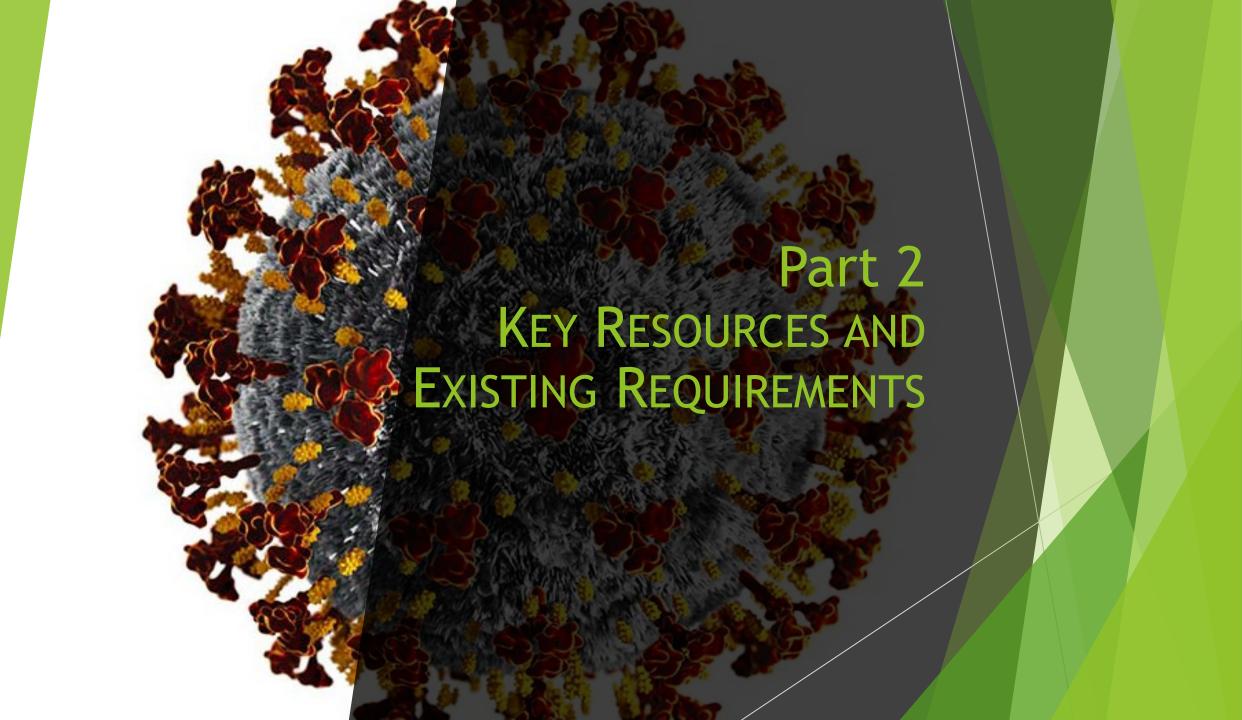
- ► The Regional Stay Home Order (imposing a 20% occupancy limit and other restrictions) was rescinded on January 25, 2021.
- Sale of food or drinks
  - ▶ The lifting of the Regional Stay Home Order removed the prohibition on the sale of food or drinks for in-store consumption.
  - Frequently touched surfaces (e.g., vending machine keypads) must be regularly cleaned.
  - Consider reconfiguring areas to reduce transmission (e.g., use cup dispensers instead of placing cups on tables).
- Employee breakrooms
  - Breakrooms can be open, but social distancing and use of face coverings are mandatory. Consider staggering breaks and/or reconfiguring spaces to ensure distancing.

### Status of Dealership Operations

- Governor Newsom April 6 announcement:
  - ► California will "start to open up as business as usual on June 15 subject to ongoing mask-wearing and ongoing vigilance."
- Impact on dealerships unclear. Continued use of face coverings inside dealerships appears very likely.
- Possible that the four-tier color-coded county system ends on June 15.
- Stay tuned for CNCDA coronavirus updates.

#### **Local Orders**

- Various local jurisdictions have adopted health requirements applicable to dealerships. (Notably, Los Angeles County)
- When a local order and a state order conflict, follow the most restrictive order.
- Visit your city or county website to learn about any restrictions that may be applicable to your dealership.



## Existing Requirements (Discussed In Depth in Prior Webinars)

- Cal/OSHA COVID-19 Emergency Temporary Standards
  - Must implement COVID-19 prevention program
    - ► Model program available on CNCDA Comply
  - Requires testing of employees in the event of an "outbreak" (i.e., 3 positive cases within a 2-week period)
  - ► Recordkeeping requirements.
  - Cannot require negative tests for return to work.
  - Discussed in greater detail in our December 2020 coronavirus webinar. (Accessible on CNCDA Comply)

### **Existing Requirements** (Discussed In Depth in Prior Webinars)

- ► COVID-19 Employer Playbook
  - Outlines return to work protocol
    - ► Note: 14-day quarantine period for people that come in close contact with an infected individual has been shortened to 10 days. (Click here)
- https://files.covid19.ca.gov/pdf/employer-playbookfor-safe-reopening--en.pdf

#### COVID-19 **Employer** Playbook

Supporting a Safer **Environment for Workers** and Customers

**September 25, 2020** 

covid19.ca.gov







## Existing Requirements (Discussed In Depth in Prior Webinars)

- Industry Guidance for Auto Dealerships
  - ▶ Requires posting of checklist.
  - ► Generally, still good information.
  - ▶ 50% occupancy limit likely preempted by subsequent color-coded county tier system.
- https://covid19.ca.gov/industry-guidance/





## COVID-19 INDUSTRY GUIDANCE:

Automobile Dealerships and Rentals

July 29, 2020

covid19.ca.gov



### Key Resource

- Department of Fair Employment and Housing (DFEH) FAQ
  - ► Contains answers to many frequently asked questions asked by employers about how to keep workplaces safe during COVID-19 pandemic.
- https://www.dfeh.ca.gov/wpcontent/uploads/sites/32/2020/03/DFEH-Employment-Information-on-COVID-19-FAQ ENG.pdf

## DFEH Employment Information on COVID-19





A pandemic of respiratory illness caused by a new coronavirus (COVID-19) currently exists in California and beyond. Governor Newsom declared a state of emergency in California on March 4, 2020.

Workers and employers should adhere to the latest government guidance on how to reduce transmission of COVID-19 in the workplace, including guidance from the <u>Centers for Disease Control and Prevention</u> (CDC), the <u>California Department of Public Health</u>, and the <u>California Division of Occupational Safety and Health</u> (Cal/OSHA).

At the same time, employers must adhere to state and federal civil rights laws, including the Fair Employment and Housing Act (FEHA). For employers with 5 or more employees, the FEHA prohibits employment discrimination and harassment on the basis of race, national origin, disability, age (over 40), and other characteristics. The FEHA also requires employers to reasonably accommodate employees with a disability, unless an employer shows undue hardship after engaging in the interactive process.

DFEH is providing this guidance to assist employers and employees with frequently asked questions about how to keep workplaces safe during the COVID-19 pandemic while also upholding civil rights. This guidance is based on current public health information and may be updated from time to time, and replaces previous guidance issued on March 20, 2020 and July 24, 2020. This guidance is for informational purposes only and does not create any rights or obligations separate from those imposed by the FEHA and other laws.



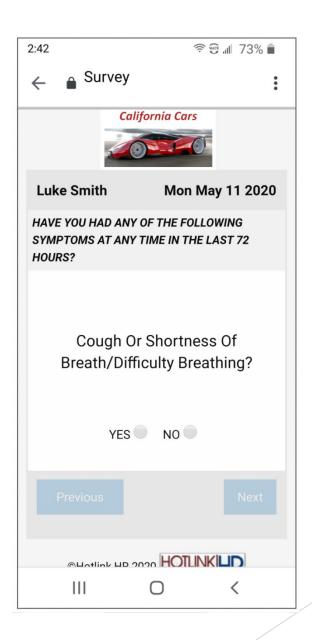
- Symptom screenings and/or temperature checks required by state guidance.
- Time must be treated as hours worked for compensation purposes for each day separately.
- Use a symptom check list
  - Sample form available on CNCDA Comply and Fine, Boggs & Perkins LLP



### Symptoms Checks

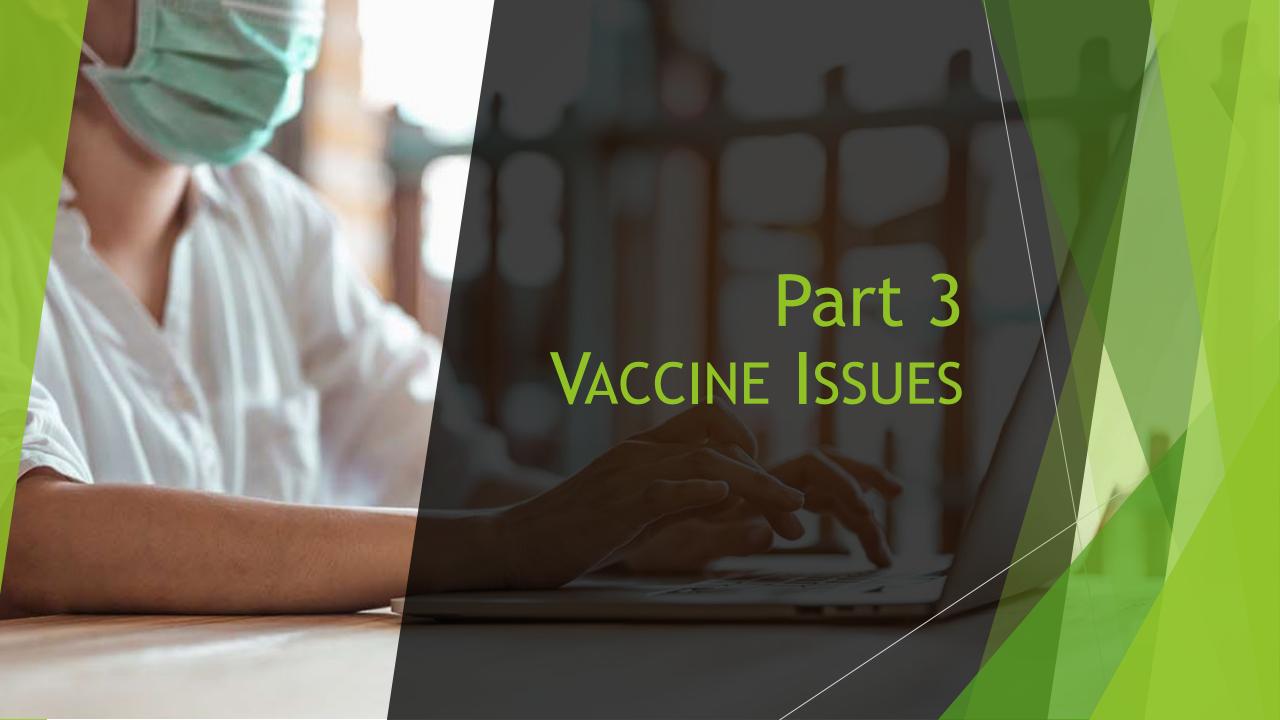
HR Hotlink Provides the automated solution now.

- Right from Employee's own iPhone or Android device
- Remember Reasonable Reimbursement Rules for Phones- Perhaps Offer Alternative



#### **Travel Advisories**

- State travel advisory
  - Advises Californians *that are not fully vaccinated* to avoid interstate travel unless "essential" (e.g., not work-related).
  - Non-essential travelers should get tested 3-5 days upon arrival into California and stay home for a full 7 days after travel, even if test negative.
  - Non-essential travelers that don't get tested should stay home and self-quarantine for 10 days after travel.
  - https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Travel-Advisory.aspx
- Local Advisories
  - LA County (non-essential travel more than 120 miles away)
    - Guidance updated on April 5.
    - Must quarantine after travel for up to 10 days, unless fully vaccinated.
    - ▶ <a href="http://www.publichealth.lacounty.gov/media/Coronavirus/traveladvisory.htm">http://www.publichealth.lacounty.gov/media/Coronavirus/traveladvisory.htm</a>
  - Check your county website.



#### Status of Vaccinations in California

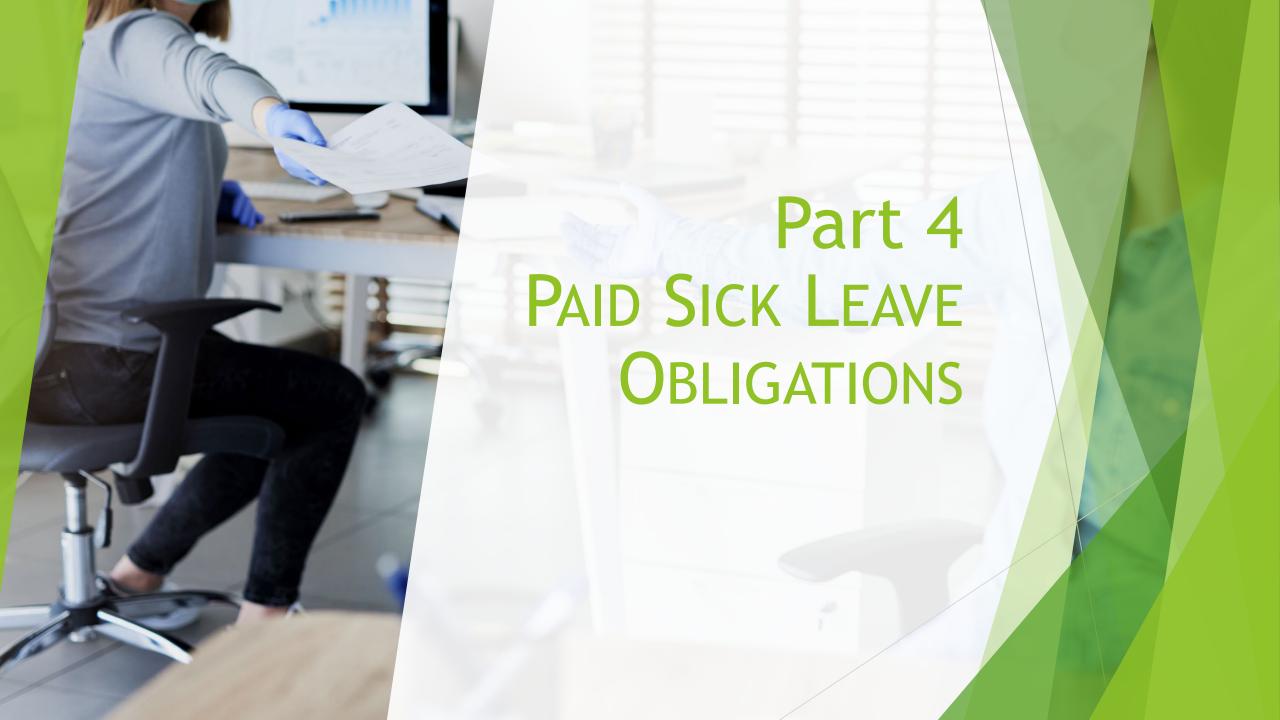
- ► As of April 1, all persons 50 years or older are eligible and persons with specific preexisting conditions.
- On April 15, eligibility expands to all Californians 16 and up.
- https://covid19.ca.gov/vaccines/#California-vaccinesdashboard

## Vaccine Policies at Your Dealership

- Don't require your employees to get the vaccine
  - ► The vaccines are not currently "FDA-approved," they are only authorized for use.
  - After the vaccines are FDA-approved, it may be possible to require vaccinations (with exceptions with persons with disabilities and sincerely held religious beliefs). Talk to counsel.
- You must provide paid leave to employees getting the vaccine or suffering vaccine side effects (discussed later)

#### CDC Guidance for Vaccinated Individuals

- ► The CDC has developed interim public health recommendations for fully vaccinated people.
- ► The guidance includes:
  - ► Fully vaccinated persons do not need to self-quarantine after travel.
  - ► Fully vaccinated people with no COVID-like symptoms do not need to quarantine following exposure to someone with COVID-19.
  - ► <a href="https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated-guidance.html">https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated-guidance.html</a>
- California has not yet adopted these recommendations with respect to close contact exposures, so California dealerships should not exempt vaccinated employees from quarantining due to COVID-19 close contact.
  - ► This could change in the future.



### COVID-19 Paid Sick Leave Requirements

- FFCRA (Families First Coronavirus Response Act)
  - Passed by Congress in March 2020.
  - ▶ Paid leave mandate applied to employers with fewer than 500 employees.
  - Included tax credits to offset business cost of providing leave.
  - Paid leave mandate expired on December 31, 2020.
  - December COVID-19 stimulus package modified and extended the tax credits.
    - ▶ Extended tax credits on existing allotments through March 31, 2021

### COVID-19 Paid Sick Leave Requirements

- ► ARPA (American Rescue Plan Act)
  - Passed by Congress this Spring.
  - Continued tax credits to offset business cost of providing leave for those who choose to offer paid leave.
    - ► Tax Credits available through September 30, 2021.
    - ▶ New balance of up to 80 hours, starting April 1, 2021.
    - ▶ Not 80 *additional* hours; 80 *new* hours, since the old unused hours are no longer available
  - Scope expanded to include vaccine-related circumstances (discussed later)

## California Paid Sick Leave (SB 95)

- ► Effective March 29, 2021, employers that employ more than 25 employees nationally are required to provide California employees with up to 80 hours of COVID-19 related paid leave.
- ► SB 95 also allows employees that took unpaid COIVD-19 leave starting January 1, 2021 to request reimbursement.
  - Request may be oral or in writing
  - ► For example, if employee used 80 hours in February 2021 and employer used accrued sick leave pay (not EPSL under the FFCRA) to pay employee, employer may have to reinstate sick leave balance used and/or pay the difference.

## California Paid Sick Leave (SB 95)

- How much time?
  - ▶ 80 hours (full time)
  - ► Equivalent amount for part time employees
    - ▶ 14 times the average daily earnings over the previous six months
- Employers may not require employees to use other leave first.
  - ▶ But other leave may be used if \$511/day cap is reached
- Must be listed on wage statements as a distinct item.
  - Separate line item on paystub when used
  - Paystub must list remaining SB 95 leave available
  - Possible Huge Problem For Payroll Reporting

## California Paid Sick Leave (SB 95)

## EMPLOYEE NOTICE REQUIREMENT

- Poster: 2021 COVID-19
   Supplemental Paid Sick Leave
  - Post in normal places where notice are posted
  - https://www.dir.ca.gov/dlse/2021-COVID-19-Supplemental-Paid-Sick-Leave.pdf
- Email to employees if no practical place to post

#### 2021 COVID-19 Supplemental Paid Sick Leave

Effective March 29, 2021

Covered Employees in the <u>public or private sectors</u> who <u>work for employers with more than 25 employees</u> are entitled to up to 80 hours of COVID-19 related sick leave from January 1, 2021 through September 30, 2021, immediately upon an oral or written request to their employer. If an employee took leave for the reasons below prior to March 29, 2021, the employee should make an oral or written request to the employer for payment.

A covered employee may take leave if the employee is unable to work or telework for <u>any</u> of the following reasons:

- Caring for Yourself: The employee is subject to quarantine or isolation period related to COVID-19 as
  defined by an order or guidelines of the California Department of Public Health, the federal Centers
  for Disease Control and Prevention, or a local health officer with jurisdiction over the workplace, has
  been advised by a healthcare provider to quarantine, or is experiencing COVID-19 symptoms and
  seeking a medical diagnosis.
- Caring for a Family Member: The covered employee is caring for a family member who is subject to a COVID-19 quarantine or isolation period or has been advised by a healthcare provided to quarantine due to COVID-19, or is caring for a child whose school or place of care is closed or unavailable due to COVID-19 on the premises.
- Vaccine-Related: The covered employee is attending a vaccine appointment or cannot work or telework due to vaccine-related symptoms.

#### Paid Leave for Covered Employees

- 80 hours for those considered full-time employees. Full-time firefighters may be entitled to more than 80 hours, caps below apply.
  - For part-time employees with a regular weekly schedule, the number of hours the employee is normally scheduled to work over two weeks.
  - For part-time employees with variable schedules, 14 times the average number of hours worked per day over the past 6 months.
- Rate of Pay for COVID-19 Supplemental Paid Sick Leave: Non-exempt employees must be paid the highest of the following for each hour of leave:
  - Regular rate of pay for the workweek in which leave is taken
  - State minimum wage
  - Local minimum wage
  - · Average hourly pay for preceding 90 days (not including overtime pay)
- o Exempt employees must be paid the same rate of pay as wages calculated for other paid leave time.

#### Not to exceed \$511 per day and \$5,110 in total for 2021 COVID-19 Supplemental Paid Sick leave.

Retaliation or discrimination against a covered employee requesting or using COVID-19 supplemental paid sick leave is strictly prohibited. A covered employee who experiences such retaliation or discrimination can file a claim with the Labor Commissioner's Office. Locate the office by looking at the <u>list of offices on our website</u> (http://www.dir.ca.gov/dlse/DistrictOffices.htm) using the alphabetical listing of cities, locations, and communities or by calling 1-833-526-4636.

This poster must be displayed where employees can easily read it. If employees do not frequent a physical workplace, it may be disseminated to employees electronically.



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#### Coordinated Bases for Paid COVID-19 Leave

- The Original FFCRA bases have been largely retained, albeit with some tweaks
- Subject to a quarantine or isolation order (state, local, CDC)
- Advised by a health professional to self-quarantine
- Experiencing COVID-19 Symptoms and Actively Seeking Diagnosis
  - ▶ ARPA expansion no long requires symptoms, but covers time seeking diagnosis following exposure to COVID-19 or where the employer requests that the employee obtain a test
  - ▶ SB 95 still refers to symptoms

#### Coordinated Bases for Paid COVID-19 Leave

- Caring for a family member in isolation.
- Caring for a child whose school/daycare is closed due to COVID-19.
  - ▶ SB 95 qualifies this by requiring not just COVID-related closure of school or care facility, but that the closure is related to COVID-19 on the premises
  - Note: ARPA would permit leave (intermittent or block time) for school closures (or partial school closures)
- Attending appointment for COVID-19 vaccine.
- Experiencing symptoms related to COVID-19 vaccine.

## Additional Paid COVID-19 Leave Considerations

- ARPA Tax Credit provisions are voluntary, but not intended for cafeteria-style application
  - Employers cannot pick-and-choose for which bases they will offer paid sick leave; all
    or nothing is the rule
  - Employers are not permitted to discriminate between employees to whom the leave will be offered
    - ▶ Highly-compensated employees, full-time employees, or based on length of employment

## Additional Paid COVID-19 Leave Considerations

- Leave Valuation Considerations
  - ▶ \$511 per day cap (for employee's own conditions) remains in place under ARPA deduction rules, and has been adopted under SB 95 rules
  - ▶ \$200 per day cap and 2/3 of regular pay limitation still applies under ARPA when caring for others (either isolated because of exposure or because of closed school), but California's SB 95 does not provide for the 2/3 or \$200/day limitations
- ARPA continues FFCRA six-month average for valuing paid leave and available tax credits
- ▶ SB 95 requires the higher of several options:
  - Regular rate of pay for the workweek in which leave is taken
  - Average rate of pay over prior 90 days of employment
  - State or Local Minimum Wage

### Illustrative Examples

- Example A: Salesperson misses 3 days in April 2020 following adverse postvaccination symptoms
  - SB 95 requires paid sick leave based on 90-day average daily rate, unless average rate for current pay period were higher
    - ▶ State or Local MW rates will not generally be higher unless such rates recently increased to a level above the historical average rate
  - ARPA permits tax credit based on six-month average daily rate
  - What must the employer pay?
    - ▶ Pay the higher of (a) the 90-day average daily rate (or current pay period rate) and (b) the six-month average daily rate; and
    - ▶ Take the tax credit no higher than the six-month average daily rate

### Illustrative Examples

- Example B1: Technician used 8 days of FFCRA leave in October 2020 because of exposure quarantine, and then missed 8 additional workdays in February 2021 because of new exposure outside of work; Employer paid 2 additional FFCRA days, then 3 days of California Sick Leave (non-COVID), and then applied 3 days of accrued PTO
  - ▶ SB 95 entitles employee to 8 days of Paid Sick Leave in February
    - ▶ Even though FFCRA leave only had 2 available days left, because State 10-day leave entitlement is independent of federal allotment
    - ▶ Even though SB 95 did not become law until March 2021, because the law was specifically made retroactive to January 1, 2021 all the employer needs to do is ask for the retroactive paid leave
  - Employer must credit back the PTO days and non-COVID Paid Sick Days, ensuring that the employee received at least the higher of the current rate of pay or the 90-day average pay for the paid time
  - Employer may take tax credit in 2021 for the 2 days of available FFCRA, but only up to the six-month average daily wage, even if leave paid at a higher 90-day average wage

### Illustrative Examples

- Example B2: Same Technician gets vaccine in mid-April and misses 10 days recovering from adverse vaccine reaction
  - SB 95 entitles employee to Paid Sick Leave for this purpose, but employee has only 2 available days left
  - But ARPA allows up to 10 days (80 hours) of paid leave from April 1, 2021
  - Employer must pay 2 days at 90-day average wage (or the six-month average, if higher), with the remaining 8 days paid at the six-month average wage
  - Tax credit available at the six-month average wage for all ten days

### **Employer Leave Obligations**

- Other Notable Leave Requirements
  - ► Cal-OSHA ETS requirements may require continued wages and benefits for employees excluded by health department rules or health care provider based on asymptomatic workrelated exposure, even if other paid leave entitlements exhausted
  - California requires 3 days of paid sick leave.
  - ► Local ordinances may require additional sick leave.
  - Employees may also be entitled to unpaid FMLA/CFRA leave.
  - Recalled employees may be able to continue to collect unemployment benefits if they are concerned about returning to work.



#### Review

- Don't forget the basics:
  - ▶ Face coverings are always used properly by employees and customers when required
  - Social distancing/occupancy restrictions are observed
  - Employees should preform daily symptom screenings
  - Strict enforcement of these requirements is key to reducing the spread of COVID-19 and avoiding an enforcement action or shutdown order.
- ► Make sure you are properly and immediately reporting COVID-19 cases to Cal/OSHA (in the event of workplace transmission) and your local health department (in the event of an outbreak)
- Employees that are symptomatic or came in close contact with a person that tested positive should quarantine and may be entitled to paid leave.
- ▶ Employees that are getting vaccinated or are experiencing vaccine side-effects may be entitled to paid leave.

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## Thank you!

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