

Dealer Advisory

March 24, 2020



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Update on Dealership Operations During State Shutdown

A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. From the [home page](#), go to the *FAQ* tab and select *Coronavirus Toolkit* or [click here](#).

Following are a few additional updates related to the "stay home, stay safe" order, plus other recent information of importance to dealerships. MADA and DADA will continue to communicate with the governor's office and update members as soon as we get new information.

Update on Dealership Operations During State Shutdown

At the time of this dealer advisory, auto sales are closed, but auto repair and maintenance can remain open subject to the limitations in section 5 of [Executive Order EO 2020-21](#). ([Also see FAQ covering EO 2020-21](#).)

We have been in contact with Governor Whitmer's team and legislative leaders to discuss automotive sales departments being available to consumers in some capacity. We realize there are still certain situations that necessitate a vehicle purchase during this coronavirus pandemic.

Some of these immediate needs for a vehicle sale could include:

- **Replacement vehicle following an irreparable accident.** What happens if a deer totals the vehicle of an individual who still must go into work or get to the grocery store?
- **Lease turn-in.** Michigan dealers lease a significant number of vehicles and numerous drivers have a vehicle that is scheduled to be turned-in within the next three weeks. Can dealers assist these families?
- **Vehicle sales to those classified as Michigan's critical workforce.** It's quite likely some of these individuals were planning to purchase a new vehicle or replace an old or failing vehicle. Can dealers sell to the essential workforce? What about an essential company, or the police, fire department or government municipality?
- **Hardship sales.** In these times of increased unemployment it is quite possible a family may need to downsize and decrease payments. Can dealers help get a family out of a high payment vehicle into something more affordable? Can we help a family whose old vehicle is getting too expensive to repair?

Dealers have been calling us with examples of customers needing to purchase a vehicle during this shutdown. Thank you for keeping us informed; it helps when we speak with the governor's office and communicate the needs of Michigan residents.

We are also asking Governor Whitmer's office about sales in process prior to the shutdown, wholesale transactions, the possibility of appointment only sales, internet sales, online sales and delivery of vehicles to a customer's home.

MADA and DADA have been communicating with high level individuals in the governor's office and hope to have more information for dealers very soon. We all realize there is a need for

timeliness in this issue. We had hoped to have this answered by noon today but we have not received that answer yet. We will send an alert out as soon as we have a response to our requests.

On the national level...

National Dealer Groups Urge Trump to Clarify Auto, Truck Sales as Essential

Leaders of NADA, the American Truck Dealers (ATD), the National Association of Minority Automobile Dealers (NAMAD), the American International Automobile Dealers Association (AIADA) and the Alliance for Automotive Innovation sent a letter to President Donald J. Trump asking for clarification that vehicle sales are essential services that need to be maintained during the COVID-19 pandemic.

[Keep reading here.](#)

Designating Critical Employees

Governor Whitmer's "Stay at Home, Stay Safe" Executive Order 2020-21 **requires employers to designate workers who are necessary to conduct minimum basic operations** such as those whose in-person presence is strictly necessary to allow the business to maintain the value of inventory and equipment, ensure security, process transactions (including payroll and employee benefits), or facilitate the ability of other workers to work remotely.

Businesses must determine which of their workers are necessary to conduct minimum basic operations and inform such workers of that designation. Businesses must make such designations in writing, whether by electronic message, public website, or other appropriate means. Such designations may be made orally until March 31, 2020 at 11:59 pm. For your convenience, we have prepared a template that can be used by dealerships to provide written notification to their essential employees. These letters should be provided to employees as soon as practicable and employees should carry the letter while in transit to the dealership from home.

Abbott Nicholson, P.C. has prepared a form dealers may use. [Click here](#) (Word doc, see page 2).

Unemployment Insurance Resources

Dealers around the state are trying to help employees during this unprecedented time by providing as much information and resources as possible. The best guidance we can suggest it to review the many new documents developed by the Michigan Department of Labor and Economic Opportunity & Unemployment Insurance Agency. The state's [central link for employers and workers](#) includes many links, fact sheets and other guidance for both employers and employees.

Two new documents we noticed on the page:

- [Resources for employers who are facing potential layoffs](#)
 - [PowerPoint employer presentation](#): information to help you understand the role that Unemployment Insurance Agency (UIA) can play in your planning
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Fisher Phillips FAQs for Employers

For additional wage and hour issues or procedures for employees, we also encourage dealers to read the Fisher Phillips FAQs and legal alerts. These cover many employment-related issues facing employers in the wake of the COVID-19. Information is regularly updated.

- [Comprehensive FAQs For Employers On The COVID-19 Coronavirus](#) (Mar. 23)
- [Stay Tuned: Federal Government Announces COVID-19 Relief For Small And Midsize Businesses](#) (Mar. 22)
- [Congress Finalizes COVID-19 Coronavirus Response Act: Prepare To Provide Paid Sick Leave And FMLA](#) (Mar. 18)
- [EEOC Clarifies Employer Rights During COVID-19 Outbreak](#) (Mar. 18)

NADA Publishes FAQs on Recently Passed Coronavirus Paid Leave Bill

This morning NADA published [FAQs on the Families First Coronavirus Relief Act](#) (*NADA passcodes required*) signed into law last week by President Trump. The FFCRA included provisions that provide paid leave to workers affected by the coronavirus and offsets cost to businesses by offering fully refundable tax credits.

Please note that many questions on the FFCRA and its corresponding tax credits have yet to be answered by the federal government. Both the Department of Labor and the Department of Treasury are expected to release additional guidance this week. NADA will send updates and revise the FAQs as more information becomes available

The FAQs are for general informational purposes only. As necessary, consult an attorney familiar with the federal, state and/or local law at issue, and with dealership operations, to obtain specific advice with respect to any specific legal matters. Since many state and local governments have instituted emergency COVID-19 related measures and may have stricter or different employment laws that apply to your operations, please pay close attention to the information you receive from your state and metro dealer associations and your outside counsel.

NADA continues to be heavily involved in regulatory efforts to provide economic assistance to dealers and is working closely with the Administration to ensure dealers have adequate compliance information. Contact NADA Regulatory Affairs at regulatory@nada.org with any additional questions.

BCBS FAQ: Coverage, Rates & Membership

Dealers with Blue Cross Blue Shield of Michigan insurance have asked if they are able to continue offering employees BCBS insurance benefits while on leave. BCBS has developed an FAQ for commercial and Medicare Advantage groups, providing information about coverage, rates and membership in light of COVID-19. Dealers who offer BCBS employee benefits are encouraged to [review the FAQ here](#) to get answers to the following questions:

- Will Blue Cross and BCN allow employers to extend coverage to their employees who are affected during temporary closures or are temporarily laid off or have temporary reduced hours?
- What is the standard employer premium payment grace period and are you making any changes to that policy?
- Will Blue Cross and BCN allow employers to modify open enrollment, new hire, reinstatement policies after returning from furlough?
- Will Blue Cross and BCN re-rate experience rated insured coverage or stop loss for changes in contracts or other fluctuations in eligibility that are driven by responses to the COVID-19 pandemic?
- For customers that are experiencing a change in membership due to COVID-19, will Blue Cross and BCN allow the employer to self-adjust their bill?

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

*This advisory has been prepared in conjunction with
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