

Dealer Advisory

March 19, 2020



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President Signs Families First Coronavirus Response Act *State of Michigan also provides guidance for cutting back the workforce*

News, resources and guidance related to the current national coronavirus outbreak is continuously changing, sometimes hourly. Following is a quick recap of important new information that dealers need to know.

The most recent development relates to federal legislation signed by the president Wednesday evening, which provides emergency paid sick leave and FMLA provisions for those affected by the coronavirus outbreak.

Additional federal legislation is also being developed that could include financial assistance to help employers through the crisis, which could include tax relief, aid for affected industries, cash checks to Americans, and small business support.

DADA and MADA will continue to follow the updates and keep dealers informed.

Going along with that statement, changes are being announced frequently and some things that have been announced could potentially change. It is even possible that there will be "tweaks" to this new federal Act before the April 2 implementation date. It is very important that dealers stay updated, read your advisories and make sure you understand your expectations. If you have questions, you are welcome to reach out to your association.

Fisher Phillips Overview of the New Act

Congress Finalizes COVID-19 Coronavirus Response Act: Prepare To Provide Paid Sick Leave And FMLA

On Wednesday, the U.S. Senate passed the Families First Coronavirus Response Act, an economic stimulus plan aimed at addressing the impact of the COVID-19 outbreak on Americans and introducing paid sick leave and an expanded family and medical leave act to the nation's employers. An earlier version of this Act (H.R. 6201) was previously passed by the House in the early hours of Saturday, March 14 before being significantly altered late Monday, March 16. The president signed the legislation on the evening of March 18, which means **the leave provisions will go into effect on April 2.**

The overview from Fisher Phillips contains a lot of important information and we encourage dealers to read everything. However, DADA and MADA do want to highlight the section on qualifying reasons for paid sick leave.

Excerpt from Fisher Phillips link

Emergency Paid Sick Leave Act: Reasons for Paid Sick Leave

This portion of the new Act significantly changed since we first saw the House pass its prior version. This Act now allows an eligible employee to take paid sick leave because the employee is:

1. subject to a federal, state or local quarantine or isolation order related to COVID-19;
2. advised by a health care provider to self-quarantine due to COVID-19 concerns;
3. experiencing COVID-19 symptoms and seeking medical diagnosis;
4. caring for an individual subject to a federal, state or local quarantine or isolation order or advised by a health care provider to self-quarantine due to COVID-19 concerns;

5. caring for the employee's child if the child's school or place of care is closed or the child's care provider is unavailable due to public health emergency; or
6. 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.

Of note, caring for another who is subject to an isolation order or advised to self-quarantine as described above is no longer limited to just family members.

[Please view Fisher Phillips' complete overview of the act here .](#)

Additional resources from Fisher Phillips:

- (web page) [FAQs For Employers On The COVID-19 Coronavirus](#)
- (PDF) [What You Should Know About the Coronavirus and Your Employment](#)
- (Word doc) [Model Announcement to Employees About Positive Test](#)

****Dealers must document everything!****

One of the key aspects of the passage of this Act is the requirement for detailed documentation. Dealers must document all employment decisions to stay in compliance with the Act. Each action you take, document why, how, who it affects, etc.

Dealers must also provide notice to employees through postings and policies.

State Provides Guidance to Employers Considering a Reduced Workforce

On Wednesday, the Department of Labor and Economic Opportunity provided guidance to Michigan employers on how to avoid potential layoffs related to COVID-19.

Excerpt from State of Michigan press release

Work Share: If employers are financially distressed but hope to continue operations by cutting back hours, they are encouraged to use the Unemployment Insurance Agency's Work Share program that allows employers to maintain employment levels and business operations during declines in regular business activity rather than laying off workers. More information about the program can be found at www.michigan.gov/workshare.

Temporary Leave vs. Termination: Due to the uncertainty regarding potential congressional action regarding whether and how furloughed workers will be able to access federal paid sick, family and medical leave resources, **employers are strongly urged to place employees on temporary leave and advise the worker that they expect to have work available within 120-days as opposed to termination.** There is no additional cost to employers, employees remain eligible for UI benefits through the state, and employees may remain eligible for potential federal assistance.

[Please read more from the State of Michigan here.](#)

REMINDER: Coronavirus Toolkit

DADA and MADA realize your inboxes are inundated with updates related to the coronavirus outbreak. To help centralize important information of interest to Michigan dealerships, we have created a public page within the MADA website compiled with useful links, including information that MADA/DADA has previously provided, State of Michigan links and information, and federal information.

- From the [home page](#), go to the *FAQ* tab and select *Coronavirus Toolkit*

- Or use this direct link <https://www.michiganada.org/faq/coronavirus/>

REMINDER: NADA Webinar

[Running a Dealership During a Pandemic: Legal Issues and Federal Mandates](#)

Thursday, March 19 | 1pm-2pm ET

This webinar is for NADA/ATD members only (requires your NADA passcode)

Listen to an expert, labor attorney Rick Warren, review key pandemic-related legal issues and mandates for automobile dealerships. There will be a particular focus on COVID-19 issues involving employees, customers, and business continuity. Join Rick Warren, David Regan, and Doug Greenhaus to discuss legal compliance and prudent policies impacting franchised dealerships, their employees and their customers. Also, new federal legislation on mandatory paid leave related to COVID-19.

Please note that participation for this webinar will be at capacity. "Seats" will be given on a first come/first served basis. Once the "room" is at capacity, participants will be rolled over to audio-only and given a link to download a PowerPoint presentation so that they can follow along. The webinar "room" will open at 12:45 pm. A webinar recording will be available via www.nada.org by COB on Friday, March 20th, with your NADA user name and password.

DIFS Email Requesting COVID-19 Response

Michigan dealers received an email from DIFS late afternoon on Wednesday requesting a summary of actions taken by businesses in direct response to the COVID-19 pandemic situations. For nearly all Class A dealers, this request will not affect you. (Plus, it's a voluntary request, not mandatory.)

The DIFS request is looking for information from banks and financial institutions that collect loan payments. Buy-Here-Pay-Here dealers would fall into this category, but an average Michigan Class A dealer would not need to provide information.

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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