

# COVID-19: The Parent Trap - Child Care and Caregiving Considerations in the Workforce

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# Welcome!



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## Learning Objectives

- Review trends with schools opening virtually or in-person, and other family care responsibilities
- Evaluate impact of employee caregiving responsibilities on parents, other caregivers, and employers
- Understand legal obligations of employers, along with alternative options for accommodating employees with caregiving responsibilities

## Child Care Trends

### BCG Study – Easing the COVID-19 Burden on Working Parents (Survey conducted March 20 – April 3, 2020; US results below)

- **60% of parents** had no outside help in caring for/educating their children
- Parents spent **44 hours** per week related to education/remote learning (17 hrs), watching kids (23 hrs), and planning kids activities (4 hrs)
- On average, women spent **15 hours more** each week than men on responsibilities for children and the home

#### Other trends:

- The lack of in-person educational options disproportionately harms low-income and minority children and those living with disabilities
- Many school districts have offered students a choice of instructional format between virtual, in person, or a hybrid option. Others are fully virtual.

## Elderly Care Updates

- “The sandwich generation” – Adults, typically in their 40’s and 50’s, who are caring for their parents and also their children.
  - About 3 in ten parents have a child under age 18 at home, and 12% of those parents also provide unpaid care for an adult as well. (Pew Research 2012 – 2017 study)
  - 69% of these caregivers of parents, also with children, were employed full time (2017-18)
- 10 million caregivers aged 50+ who care for their parents lose an estimated \$3 trillion in wages, pensions, retirement funds.
- Compared to other countries, the US relies more heavily on informal care. Caregivers of recipients ages 50+ in 2020 is 16.8%

# Impact the Lack of Child and Elderly Care has on Employees

- Unable to work regular hours
- Not available to work while caregiving
- Distracted
- Reduced salary
- Reduced benefits
- Missed career advancement opportunities
- Lost job
- Quit or retired early



## What Employees Need

- Time
- Resources
- Applicable benefits
- Flexibility
- Health and mental well-being  
for themselves and their family



# Impact the Lack of Child and Elderly Care has on Employers

- Caregiver absenteeism costs the U.S. economy an estimated \$25.2 billion in lost productivity
- During a typical year, employers lose approximately \$13 billion in potential earnings, productivity, and revenue due to inadequate child-care resources
- Turnover costs are up to 33% of an employee's annual salary



## What Employers Need

- Continue mission/work
- Maintain revenue
- Maintain productivity and engagement
- Reduce extra costs associated with employees unable to work or who quit
- Keep turnover costs down by increasing retention
- Maintain employee morale



# Providing Family Friendly Benefits Can Lead to...

- Reductions in stress and caretaking related absenteeism for caretaker
- Better employee retention and productivity for caretakers
- Improved diversity and inclusion in workplaces
- Establish loyalty and trust with caretaker employees
- Attract top talent by differentiating as an flexible workplace



# Providing Family Friendly Benefits Can Lead to...

- Increases in stress for non-caretaker employees absorbing the extra work
- Loss of employee retention for non-caretaker employees
- Need for temporary employees
- Lack of cohesion in processes
- Loss of loyalty and trust from non-caretaker employees who are overburdened
- Need for greater communication when employees working remotely and flexible schedules



# Legal Considerations – Michigan Executive Orders

- Executive Order 2020-175
  - Requires employers to continue to promote remote work to the fullest extent possible
  - Applies to all businesses
  - Continues to include safe business operation requirements from previous EO's
- Executive Order 2020-176
  - Work that is capable of being performed remotely must be performed remotely

# Legal Considerations – Leave Laws for Child Care

- **FFCRA:** Employees taking FFCRA leave for this child caring reason are entitled 12 weeks of leave at 2/3 their regular rate up to \$200 per day (\$12,000 in the aggregate)
  - Son or daughter – under age 18 OR over 18 if the child is incapable of self-care because of a mental or physical disability
  - IRS Requirement for Reimbursement: If child is older than 14, then must obtain a statement that special circumstances exist requiring the employee to provide care.



# Legal Considerations – Leave Laws for Care of Parents

- **FFCRA:** Employees taking leave to care for person who has been told to isolate/quarantine for COVID-19 reasons may be eligible for paid sick leave, paid at their full regular rate up to up to \$511 per day for two weeks
- **FMLA:** Consider whether FMLA applies, to care for family member with serious health condition



# Legal Considerations – Leave Laws

FFCRA, generally:

- Provides paid sick leave and expanded FMLEA until December 31, 2020
- Applies to employers with fewer than 500 employees
- Each request should be treated separately, with appropriate documentation from the employee for each leave request.
- Time spent on furlough does not count against FFCRA leave
- May be used intermittently with employer approval, as long as such use does not pose enhanced risk
- Job protections/restorations
- Employers subject to FFCRA that deny qualifying employees the leave to which they are entitled may be sued by employees in private litigation, as well as by the Department of Labor. Consider other state and local leave law legal exposure, familial status is a protected class in Michigan.



# Legal Considerations – Leave Laws

## FFCRA and Remote/Virtual Learning:

Eligible	Not Eligible
Child in remote/virtual learning because no in-person option available – all virtual learning covered	Remote learning because parent <u>opted out of</u> in-person learning that is otherwise available (school is not closed)
Child in hybrid learning model, covered for remote/virtual learning days	
If, because of COVID-19, your child is under a quarantine order or has been advised by a health care provider to self-quarantine while school is open for in person learning, employee may be eligible to take paid sick leave to care for child who has been directed to self-quarantine	



## Applying Leave Laws

- Scenario: Employee tells employer that their child will be learning remotely three days a week and will be in-person two days a week, and the employee needs time off to assist the child with school work
- Considerations:
  - Has employee worked at least 30 days for covered employer?
    - Has employee used any FMLA leave yet?
    - What is age of child?
    - Is the employee's child's school closed due to COVID-19 or childcare unavailable?
    - Is other suitable adult available?
  - Has the employee complied with the notice and documentation requirements?

# Legal Considerations – Leave Laws

- Michigan Paid Medical Leave Act (PMLA)
  - Applies to employers in Michigan with 50 or more employees.
  - 40 hours of paid leave, accrual or front loaded to eligible employees
  - Essentially, covered employees are non-exempt employees who worked an average of at least 25 hours per week during the preceding calendar year
  - In addition to medical reasons:
    - Paid Medical Leave may be used to care for the employee’s child whose school or place of care has been closed by order of a public health official due to a public health emergency

# Legal Considerations – Unemployment Benefits

- The CARES Act provides PUA to “primary caregivers” who must care for a child whose school is closed due to COVID-19
  - These federal unemployment benefits were available under state law extended, and CARES Act provided additional enhancements of \$600 through end of July 2020.
- Michigan has received funding to provide Lost Wage Assistance in the amount of \$300 per week for eligible employees (must be eligible for at least \$100 in weekly benefits)
  - LWA funds are only available for weeks ending Aug 1 through September 5.
  - The number of weeks for unemployment benefits has been extended to 39 weeks in Michigan.

## Legal Considerations

- Outside of legally-required leaves, employers may also provide the benefit of a discretionary leave of absence or establish new written policies for paid/unpaid leave
- If employee is not eligible for (or has exhausted) protected leave, has exhausted leave under employer policies, and extended leave is unworkable, then employer may need to terminate employment relationship

# Accommodations and Support for Employees

- Flexible Work Arrangements
  - Where (teleworking)
  - When (varied hours)
  - Amount (number of hours)
  - Address attendance policies
- Compressed Work Weeks
  - 10 hour days/4 day work week



# Accommodations and Support for Employees

- Creating a Flexible Work Arrangement Plan:
  - Document expectations
  - Identify temporary duration
  - Evaluate needs to work remotely
  - Consider pay (exempt/non-exempt)
  - Confidentiality/privacy
  - Policy and agreement



# Accommodations and Support for Employees

- Reduced hours or/responsibilities for partial pay
  - Hour and salary reduction
  - Full-time employees may qualify for partial unemployment benefits through Work Share, if reduction of 10-60%, other criteria met, and plan approved by UIA.
  - Non-exempt: pay for hours worked
  - Exempt: pay salary of no less than \$684 per week (\$35,568 per year)
  - Health insurance may be continued, provided eligibility criteria met



# Accommodations and Support for Employees

- Leave - Parental/Caregiver/Sick/Family/Personal/FFCRA
  - Fully Paid
  - Partially Paid
  - Unpaid
  - With/Without Benefits
  - Long term/intermittent
  - \*Note – men should be encouraged to use the leave as well





# Childcare Accommodations and Support

- On-site
- In home/remote work
- Employee Resource Groups
  - Referral systems
  - Parent pods or nano schools
- Child care support payments/loans
  - Consider subsidies or financial assistance for lower wage employees who might not be able to afford the benefits otherwise



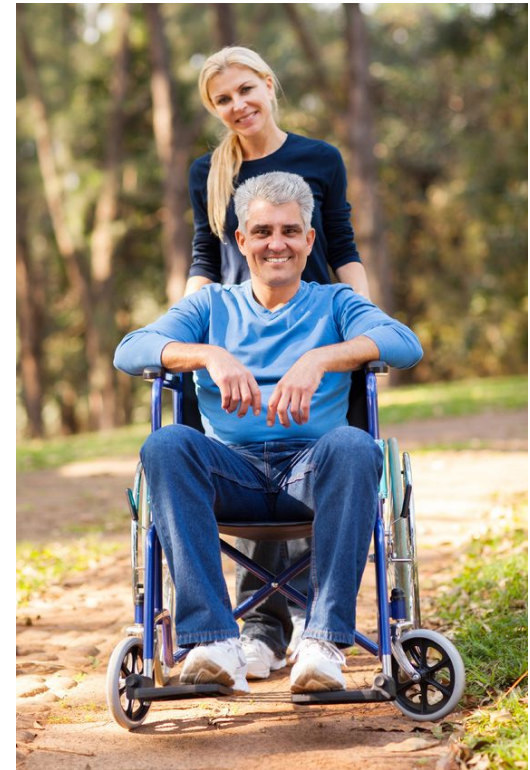
# Childcare Accommodations and Support

- Allow older children to come to work in an emergency
  - Consider risks, based on industry and job location
  - Create a family-oriented environment by setting up a playroom to keep a child busy during these situation
- Allow children under one year to come to work with parent on regular basis
- **\*Be wary of risks – not typically recommended**



# Eldercare Accommodations and Support

- Respite care
- Care subsidies
- Support groups or resources
- Referral services
- Targeted recruitment practices
- State assistance
- Guidance on how to seek support



# Eldercare Accommodations and Support

- Michigan state assistance
  - [Home Help Program](#)
    - Be enrolled in Medicaid.
    - Family members may be paid for time spent providing elder care
      - The rate of pay has increased during COVID-19 by \$2.00 an hour, through September 30, 2020.
  - [MI Health Link](#)
    - Must be enrolled in both Medicaid and Medicare
    - Currently only available in certain counties
    - Offers medical and behavioral health services, home and community-based services, and nursing home care



# Employer Provided Support and Accommodations

- Employee Assistance Program (EAP)
  - Can include counseling, referrals, and other services related to stress, financial issues, legal issues, child and elder care, substance abuse, and much more
  - Can be made available to family members or others living in the home
  - Can be provided at no cost to employees

# Employer Provided Support and Accommodations

- Health Insurance Options:
  - Health Savings Account (HSA)
  - Flexible Spending Account (FSA)
  - Dependent Care Flexible Spending Account (DEFLSA)
  - Health Reimbursement Arrangement (HRA)
  - Excepted Benefit Health Reimbursement Arrangement (EBHRA)
  - Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)
  - Small Business Health Care Tax Credit
  - Long-term disability insurance, with rider covering infectious and contagious disease
  - Cafeteria Plans (IRC Section 125)

# Employer Provided Support and Accommodations

- Wellness programs, events, classes, resources, and spaces
  - Some insurers will reduce health insurance premium for participation in particular wellness programs
  - Onsite therapy
  - Meditation/mindfulness programs/spaces
  - Exercise equipment
  - Create lactation/mother's room for nursing parents that is private, with a lock and a fridge



# Employer Provided Support and Accommodations

- Account for caregiver responsibilities in annual performance reviews, advancement, and reduction decisions
  - Consider potential adverse impact against caregivers – and women, who are carrying a greater load of caregiving responsibilities
- If unable to accommodate, document the legitimate business reasons, job responsibilities, industry/business needs, hardship, limitations, etc.





## Thank you!

- The recommendations in this presentation are just a guideline. You may have other corporate, financial, and employment concerns that we are happy to discuss with you.
- Our many years of experience in navigating our clients through their business challenges has enabled us to deliver prompt and efficient solutions. Our commitment to this mission will not change, even during these compelling and rapidly changing times.

# Thank you!



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