



Managing Your Business Through the Covid-19 Crisis

March 25, 2020

Welcome



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Today's Agenda

- Cybersecurity Issues
- Working Remotely
- Workforce Planning
- Leadership in a Time of Crisis
- Supporting Your Team
- Extension of Payment Deadlines
- Tax Relief Programs Planned and In Place
- Strategic Tax Planning Today

Today's Presenter



Bobby Garrett

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Cybersecurity

- Heightened cybersecurity awareness is essential
 - Cyber criminals are eager to take advantage of this national crisis for their own benefit
 - Refer to “[Cybersecurity and the Coronavirus](#)” eblast
 - Watch out for malicious emails (Defcon 2)
 - Scam email example:

From: Human Resources <hr@gggcpas.com>

Sent: Monday, March 16, 2020 11:13 AM

To:

Subject: Coronavirus - Communicable Disease Management Policy

All,

Due to the coronavirus outbreak, Gray, Gray & Gray, LLP is actively taking safety precautions by instituting a [Communicable Disease Management Policy](#). This policy is part of our organizational preparedness and we require all employees to read and acknowledge the policy before **March 17, 2020**.

If you have any questions or concerns regarding the policy, please contact Gray, Gray & Gray, LLP Human Resources.

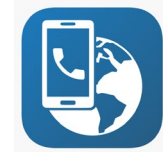
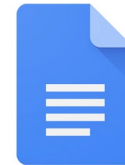
Regards,
Human Resources

Cybersecurity - *Continued*

- Verify requests
 - Call to confirm legitimacy of requests
 - Report scams to your IT team
- Protect sensitive information
 - Passwords, financials, etc.
 - Tools for managing sensitive information
- Your last line of defense is your people
 - Importance of security awareness training
- Keep your system patched

Working Remotely

- Communication is the key
 - Collaboration Tools
 - Zoom, GoToMeeting, Microsoft Teams, Google Docs
 - VoIP (Mobile App)



- Workspace
 - Have a dedicated area set up to work
 - Think about ergonomics (chair, keyboard, etc.)
- Systems access
 - Home networks and Internet providers are not equal
 - Speedtest (wired is better)

Today's Presenter



Lisa Mavilia

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Working Remotely

- Lonely for some, overcrowded for others
- Dress as if you're working in the office
- Prioritize your workload
 - Daily to-do lists
- Share daily tips and/or messages of inspiration, etc.
- Take breaks
 - Go for a walk
 - Meditate
 - FaceTime with friends and family
 - Hold virtual lunch or coffee breaks with co-workers



Workforce Planning

- Furlough vs. Layoff

Furlough	Separation/Layoff
Still an employee	Employment ends
Benefits can continue- work with your carriers	Benefits end – COBRA eligible
Can use PTO (but not required)	PTO/Vacation is paid out
No formal documentation requirement	Termination paperwork required
You plan to reinstate them	WARN Act
Eligible for Unemployment	Eligible for Unemployment

Workforce Planning – Increase Awareness

- Unemployment requirements in your state
 - Partial claims and waiting periods
- The Families First Coronavirus Act
 - Expected effective date: April 2
 - Applies to companies with under 500 employees
 - Most companies will be eligible for Tax Credit reimbursement
 - Emergency Family and Medical Leave Act
 - Emergency Unemployment Stabilization Act
 - Emergency Paid Sick Leave Act



The Families First Coronavirus Response Act | Summary of Benefits Chart for Covered Employers and Employees

	Emergency Paid Sick Leave		Emergency FMLA Expansion (Note: does not follow traditional FMLA definitions: Employee is employed for only 30 days; Employer is fewer than 500 employees)			
During Coronavirus epidemic, Employee is unable to work or telework due to:	Duration	Benefit per employee	Duration	Benefit per employee	Job Protection / Restoration	
subject to Federal, State or local quarantine or isolation order related to COVID-19		Greater of employee's regular rate of pay or highest applicable minimum wage (Federal, State or local). Capped at \$511/day; \$5,110 aggregate.				
advised by healthcare provider to self-quarantine related to COVID-19						
experiencing symptoms of COVID-19 and seeking medical diagnosis						
need to care for own child(ren) under age 18 because school, place of care has closed / is unavailable (Note: Emergency Paid Sick Leave applies for care of son or daughter regardless of age; Emergency FMLA has the age 18 provision)	<p>Full-Time: 80 hours of paid sick time</p> <p>Part-time: average number of hours the employee typically works over a two-week period.</p>	Greater of 2/3 of employee's regular rate of pay or 2/3 of highest applicable minimum wage (Federal, State, or local). Capped at \$200/day; \$2,000 aggregate.	up to 12 weeks	<p>First 10 days unpaid, but may elect to substitute vacation, personal, medical, or sick leave. Thereafter, paid leave for each day of not less than 2/3 of employee's regular rate of pay, multiplied by number of hours normally scheduled to work. (Note: for employees with varying schedules, statute provides formula.) Capped at \$200/day; \$10k aggregate per employee.</p>	<p>Employers with 25+ employees: Subject to current FMLA job protection rules</p> <p>Employers with fewer than 25 employees, job restoration does not apply if: position is eliminated due to change in economic or other operating conditions caused by public health emergency, and employer made reasonable efforts to restore employee to equivalent position, and if reasonable efforts fail, employer to contact employee if equivalent position becomes available within 1-year of end of public health emergency or end of employee's 12-week leave period, whichever is earlier.</p>	
need to care for an individual subject to quarantine, isolation order or healthcare provider advisory related to COVID-19						
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						

Note: healthcare provider and emergency responder may be excluded

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Current as of March 21, 2020. Please be sure to check for developments of these laws which may impact the summary provided above.

Leadership In a Time of Crisis

***“Anyone can lead when the plan is working.
The best lead when a plan falls apart”***

– Robin Sharma

- Ways to support your employees:
 - Physically
 - Financially
 - Developmentally
 - Emotionally

Supporting Your Team

- Physically
 - Equip your team with technology and productivity tools
 - Manage your expectations
 - Remote doesn't mean "always available"
 - Consider creative work options for those who cannot work remotely
 - Is there a different task they can do from home?
- Financially
 - Consider offering paid time off to those who cannot work
 - Understand and administer COVID-19 benefits
 - Educate your workforce

Supporting Your Team - *Continued*

- **Developmentally**
 - While live training is likely cancelled, find opportunities to involve your team in virtual training
 - Assign independent virtual trainings to employees
 - Follow up with a group discussion to create stronger social connections and better retention of concepts
 - Engage employees by empowering them to lead a virtual training

- **Emotionally**
 - Be human
 - Establish daily check-ins with your team
 - Set the tone for employees by being calm and positive
 - When separating from an employee, be direct and honest
 - If you don't expect to bring them back, tell them that so they can move forward and do what's best for themselves

Today's Presenters



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Filing Deadline

- Federal income tax filing due date is **automatically** extended from April 15, 2020 to **July 15, 2020**
- Can also defer federal income tax payments due on April 15, 2020 to **July 15, 2020** **without penalties and interest**, regardless of the amount owed
- Applies to **all taxpayers**: individuals, trusts and estates, corporations and other non-corporate filers as well as those that are self-employed
- Can request an **extension** to file beyond the July 15 deadline
- Taxpayers with **refunds** should file ASAP (most tax refunds are still being issued within **21 days**)

Employer Tax Credits



- Fewer than 500 employees
- Dollar for dollar refundable credits
- Paid Sick Leave Credit
 - Employee sick
 - Employee's regular pay, up to \$511 per day and \$5,110 in the aggregate (total of 10 days)
 - Employee caring for someone else
 - Employee's regular pay, up to \$200 per day and \$2,000 in the aggregate (up to 10 days)
- Child Care Leave Credit
 - 2/3 of employee's regular pay, capped at \$200 a day or \$10,000 in the aggregate (up to 10 weeks)

Individuals (Proposed)

- “2020 recovery rebates for individuals”
 - \$1,200 checks to individuals
 - Phased out beginning at \$75,000 in AGI
 - \$2,400 for married filing jointly
 - Phased out beginning at \$150,000 in AGI
 - Amounts increase by \$500 for every child
- Estimated tax liabilities
 - Defer until October 15 payments due from the date of enactment without limitation

Individuals (Proposed) - Continued

■ Retirement Plans

- Waive early withdrawal penalties on coronavirus distributions of up to \$100,000
- Allow tax payments on distributions to be spread out over three years
- Return distributions to the retirement account over three years, with such redeposits not subject to annual contribution limits

■ Charitable Contributions

- Above-the-line deduction for up to \$300 made in cash during 2020 for taxpayers that do not itemize deductions
- Existing income limits would not apply
- Not applicable for contributions to a donor-advised fund

Business Tax (Proposed)

- Deferred tax payments
 - Postpone estimated tax payments due after enactment until October 15
 - Employers and self-employed individuals could defer payment of the 6.2% employer share of Social Security Taxes on employee wages, with half required to be paid by the end of 2021 and the rest by the end of 2022



Business Tax (Proposed) - *Continued*

- NOLs
 - Restore carrybacks (2018, 2019 and 2020 losses could be carried back 5 years)
 - Removes 80% of taxable income limitation to allow an NOL to fully offset income
- Business interest
 - IRC § 163(j) limit relaxed from 30% of EBITDA to 50% for 2019 and 2020
- QIP correction
 - Eligible for 100% bonus depreciation

Questions



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