



## COVID-19 Executive Order and Financial Implications Explained

Governor J.B. Pritzker issued a Stay-at-Home Order on Friday afternoon after days of suggesting such an order would be necessary to flatten the curve of the COVID-19 infections in the state of Illinois. On Friday, preliminary guidance from the U.S. Department of Labor and the Internal Revenue Service were also published. As a result, we now have a clearer picture of the impact of state and federal actions on our business clients.

For the start of business beginning on March 22, 2020, the Executive Order sets forth a general limitation upon the activities of citizens and businesses. It generally requires citizens to stay at home, except to get essentials for daily living and requires that non-essential businesses and operations must cease except for minimum basic operations and teleworking. There are many notable exceptions to this general prohibition, however. Businesses working in a wide variety of services may maintain their operations. Click [here](#) to read the Executive Order.

In addition to the exceptions set forth in the Executive Order, the Executive Order also includes as exceptions those essential businesses and operations set forth in a Memorandum issued by the U.S. Department of Homeland Security. Click [here](#) to read the Memorandum.

The Executive Order and the Memorandum do not detail all businesses. Since the Executive Order has been issued, we have been advising clients as to its meaning and whether their businesses fit the exemptions. Even if a business meets the exemptions, you will want to consider having employees work remotely, if possible.

Some of our clients have asked us to prepare letters for employees to have in their possession setting forth the fact that they work for an exempt business. We are happy to prepare these letters or advise regarding them.

In addition, the Executive Order requires employers to meet social distancing requirements and to provide separate operation hours for vulnerable populations. We have prepared short policies for our clients regarding these topics.

The Executive Order has implications for the new federal law, the Families First Coronavirus Response Act (FFCRA), that set forth paid sick leave benefits for employees unable to work or who have families members with COVID-19 or its symptoms. We have detailed some of the law's provisions in a [recent newsletter](#).

There is good news for small businesses in the IRS and Department of Labor announcements relating to the FFCRA. First, though we're waiting for final guidance from the Secretaries of Labor and Treasury, they have announced they will exempt businesses with fewer than 50 employees if the FFCRA's paid leave requirements were to jeopardize the ability of the business to continue. Second, those businesses not subject to the exemption will receive 100 percent reimbursement, including health insurance costs. The reimbursement will generally be through a dollar-for-dollar tax offset against payroll taxes. Click [here](#) to read the IRS statement and click [here](#) to read the Department of Labor statement relating to the financial implications of these programs.

The economic ramifications of COVID-19 and governmental reactions to it are dramatic. We are working on these issues every day and stand ready to help.

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