

What President Biden's American Rescue Plan Could Mean for Employers

Labor & Employment Law Update

By Suzannah Wilson Overholt on February 17, 2021



Congress is turning its attention to President Biden's \$1.9 trillion economic stimulus package, which is called the American Rescue Plan. Because the package includes enhanced unemployment benefits that are currently set to lapse in mid-March, Congress is under pressure to take action by then.

The following aspects of the proposal have a specific impact on employers:

- **Restoration and expansion of emergency paid leave:**
 - President Biden has proposed reinstating and expanding the paid sick and family leave benefits passed as part of the Families First Coronavirus Relief Act (FFCRA) which expired in December. The proposal would reinstate those leave provisions through September. (Read more about the FFCRA leave requirements in our previous blog from March 2020).
 - The proposal expands the leave requirements to cover businesses with fewer than 50 and more than 500 employees, as well as first responders and health care workers, who could be exempted from the original leave requirements. (The proposal would also grant leave to federal workers.)
 - The government will reimburse employers with fewer than 500 workers for the full cost of providing the leave.
- **Restaurant industry:** The proposal includes the FEMA Empowering Essential Deliveries (FEED) Act that uses the restaurant industry to get food to families in need and helps get laid-off restaurant workers back to work.
- **Minimum wage:** President Biden's proposal includes raising the minimum wage to \$15 an hour over four years and ending the tipped minimum wage

and the sub-minimum wage for people with disabilities. Whether this will actually be considered by Congress as part of the stimulus package is uncertain.

- **Worker safety:** The proposal includes provisions regarding worker safety, which we addressed in a previous blog.

Other aspects of the proposal that, while not being specifically workplace related, have an impact on workplace issues are as follows:

- **Vaccines and testing:** The proposal seeks \$160 billion for vaccines, testing and related programs to fight COVID-19. It includes \$20 billion for a national vaccination program and \$50 billion for testing. Part of the funding would be directed to hiring public health workers to help administer vaccines and tests. The goal would be for more people to be vaccinated faster, which should allow more employees to return to work and more businesses to re-open.
- **Extension of pandemic unemployment programs:**
 - President Biden has proposed increasing federal supplemental unemployment assistance by \$100 a week, making it \$400 a week instead of the \$300 a week that Congress approved in December.
 - The Pandemic Emergency Unemployment Compensation program, which applies to those who have exhausted their regular state jobless payments, and the Pandemic Unemployment Assistance program, which provides benefits to the self-employed, independent contractors, gig workers and certain people affected by the pandemic, would both be extended.
 - These payments and programs would be extended through September. Currently, they are set to expire in mid-March.
- **Child care:** President Biden's proposal creates an emergency stabilization fund for child care providers to allow them to re-open and stay open. It also contains additional funding to assist families with child care expenses.

We will provide updates about the status of these proposals as they work their way through Congress.

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