

Employee Benefits

SICK LEAVE & UNEMPLOYMENT

The CARES Act provides many significant tax and unemployment benefits that will help dealers and their employees during the crisis. See details below.

2020 Stimulus Checks

- The CARES Act sends a \$1,200 check to eligible adults earning up to \$75,000. It sends \$2,400 to couples earning up to \$150,000. The income is based on 2019 adjusted gross income (or 2018 AGI if you haven't yet filed your 2019 tax return). Eligible families will receive an additional \$500 for each child under the age of 17. People with higher incomes will receive smaller rebates: \$5 less per every \$100 they make over the limits. It phases out completely at \$99,000 singles (\$198,000 for couples).

[Economic impact payments: What you need to know](#)

Family and Sick Leave

- Allows certain employees laid off after March 1, 2020 but subsequently re-hired to receive benefits under the emergency paid family leave and sick leave provisions of FFCRA, which became law on March 18, 2020.

[Families First Coronavirus Response Act: Questions and Answers](#)

Unemployment Insurance

- Expands unemployment assistance through December 31, 2020 to certain individuals not traditionally covered under state laws (such as gig economy workers, self-employed persons, independent contractors, employees with limited work history, and those seeking part-time employment). Increases unemployment benefits individuals may receive under state law by \$600 per week through July 31, 2020, waives one-week waiting periods, extends maximum entitlement (from 26 weeks to 39 weeks), and extends benefits for individuals who have exhausted them.
- Provides funding to applicable states to expand "short-time compensation" or "work-share" programs through December 31, 2020, to allow individuals employed for a portion of the week to collect unemployment benefits in addition to regular pay.

[Unemployment Insurance Relief During COVID-19 Outbreak U.S. Department of Labor](#)

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Qualified Retirement Accounts

- Waives the 10% early withdrawal penalty for distributions for COVID-19-related purposes up to \$100,000 from qualified retirement accounts made on or after January 1, 2020. Income attributable to these distributions will be taxable over three years and may be recontributed to an eligible retirement plan within three years without regard to applicable annual contribution limits.
- Increases the maximum loan amount to the lesser of \$100,000 and 100% of the participant's vested account balance (an increase from the lesser of \$50,000 and 50% of the participant's vested account balance). Waives required minimum distribution rules for 2020 for certain defined contribution plans and IRAs. Provides flexibility in connection with loans for COVID-19-related purposes from certain retirement plans.

[Cares Act Retirement Provisions FAQ](#)