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Memo

To: All Business Representatives, Organizers & Local Unions

From: Gary Perinar, EST

RE: Employers' obligations to submit Contributions under the Cares Act

Date: November 19, 2020

This Memo addresses the employers' requirement to submit fringe benefit contributions for employees who are on leave under Emergency Family and Medical Expansion Act and the Emergency Paid Sick Leave Act (collectively "Cares Act").

Both Acts require employees who are on leave to be paid their "regular rate of pay" or a portion of their regular rate of pay with per diem and aggregate caps. The Cares Act further holds that the employer "must maintain the employee's coverage under any health plan on the same conditions as coverage would have been provided if the employee had been continuously employed during the entire leave period". Accordingly, employees must be paid their standard wage rates or the portion designated by the Act and must pay contributions to the welfare plan based upon the hours of work that the employee would have performed but for the events which lead to the leave of absence.

The Cares Act expressly *excludes* contributions paid on behalf of employees for pension, annuity and apprentice training. Furthermore, the MARBA Agreement requires employers to contribute to the Pension, Supplemental Retirement, Apprentice Training, Labor Management, and UBC National Funds based upon the number of hours of work performed by covered employees. Since the employees falling under the Cares Act protection are on leave, the employers would not be required to submit contributions to these funds.

In sum, the employers are required to pay the appropriate wages to employees who are on leave under the Cares Act and to pay contributions to the welfare fund based upon the number of hours the employees would have worked.

Finally, employers are required to deduct dues check-off amounts from wages paid to employees who are on leave under the Cares Act.