



School for Workers  
UNIVERSITY OF WISCONSIN-MADISON

## COVID-19 WORKER INFO

\*UW-Madison School for Workers is working to analyze and summarize legal developments during the COVID-19 crises. We anticipate that regulations may further define these rights and acknowledge that details continue to change quickly.

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# Legal Rights for Workers During COVID-19\*

## Financial Relief | The CARES Act

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) is intended to provide economic relief to workers and businesses and includes some changes to tax policy. Important highlights for workers:

### Direct payment to individuals

Considered a tax rebate, workers who earn under \$75,000 will receive a direct payment of \$1200 that will not be considered taxable income. The cap for heads of households is \$112,500, and for joint taxpayers \$150,000.

The amount received will decrease by \$50 per \$1000 earned over the above amounts up to \$99,000 for single taxpayers, and \$198,000 for joint taxpayers. Tax returns for 2018 and 2019 will be used to determine whether workers are above these income levels, but workers will receive a tax credit if their income falls below these thresholds.

The direct payments are considered a tax credit against your 2020 taxes. This means that when doing taxes in 2021, the payment is considered an advance refund towards your 2020 taxes and may decrease the amount of refund you receive in 2021. It is not clear but does not appear that it will impact taxes owed for 2020 for employees who owe additional tax.

### Paycheck Protection Program

Small businesses of up to 500 employees may apply for loans (through or guaranteed by the Small Business Administration) to continue providing employee compensation for employees earning up to \$100,000. These loans may be forgiven if employees are kept on the payroll and the monies used for compensation.

### Extended Unemployment Benefits

As discussed above, the federal government is providing increased funding to states for unemployment benefits. As of March 30, 2020, changes to the Wisconsin Unemployment Insurance program are not yet available.