

1. Q: All of our church's employees are half-time with other jobs outside of the church. We are eligible to receive the PPP loan/grant, but it may not be enough to sustain the employees, due to the loss of income from outside sources. After quarantine, some employees may need to seek other employment, and therefore leave the church before the required 8 weeks to qualify for loan forgiveness. Would it be better for the employee to stop working and collect COVID unemployment, if they can forecast that they will need to leave their position at the church?

A: Thank you for your question, it is certainly pertinent to this difficult time. Your church would be well advised to consult with a CPA to determine whether the church will be in a position to repay the PPP loan if employees stop working and seek other employment. The church's entire financial position should be considered. We do not want to leave the church with substantial financial debt if the employees leave. A comprehensive analysis of the church's financial position should be undertaken before the loan is entered into.

2. Q: Are employees with reduced hours eligible for unemployment benefits?

A: In many cases, employees who are partially unemployed as a result of COVID-19 are eligible for partial unemployment benefits.

3. Q: Are Pastor's salary covered under this?

A: Federal law dealing with economic benefits available to the downturn in the economy following COVID-19, do not make a distinction between payroll covering a pastor as opposed to other employees. However, you are best to consult with a CPA before entering into a PPP loan.

4. Q: Can a church with a substantial endowment be expected to use that endowment and not reduce its original 2020 budget expenses?

A: A church's 2020 budget, and any reduction of it, can only be considered in light of numerous factors going forward including anticipating revenue throughout the balance of current stay-at-home orders and expected giving thereafter. Whether downturn should be offset by budget reductions or supplemented by the church's endowment can only be made by an analysis of the church's position and expectations.

5. Q: Can church employees file for unemployment insurance due to the COVID-19 disaster? If not, what other assistance is available?

A: In many cases, employment benefits have been expanded to cover those who (like church employees in many cases) were not previously eligible for unemployment insurance benefits. You may wish to encourage your employees to file for unemployment insurance benefits as needed.

6. Q: Can you please discuss the employment requirements for those who have applied for the Paycheck Protection Program? Thank you!

A: The employment requirements and overall payroll requirements for the PPP are complex. I would be doing you a disservice in attempting to answer the question very briefly. I would suggest you talk with your SBA lending institution, a CPA and/or the church's financial advisor. It is important that the

church fully understand all ramifications of the PPP, including the possibility that all or part of the loan may not be forgiven and become due and payable.

7. Q: Do many churches pay unemployment benefits through the Reimbursement Method, offering through the DUA in MA for non-profit organizations?

A: Unemployment benefits programs vary from state to state. In California, churches may opt in or out of the unemployment benefits program. Most opt out. However, current federal legislation has, in many cases, made unemployment insurance benefits available to individuals who, for other reasons, would otherwise be ineligible to receive such benefits.

8. Q: Given expected reductions in support to the Presbytery, what, if any, protections are there for judicatory staff?

A: Your question is an interesting one. Being unfamiliar with requirements of your individual presbytery, I would suggest that this question may be best answered by that organization.

9. Q: How can other non-profit (Feeding Children International of Stewart.org) benefit from this program?

A: Most of the current COVID-19 disaster relief programs are equally available to non-profits as they might otherwise be available to churches.

10. Q: How do church employees that would file for unemployment normally and be rejected because most churches do not pay unemployment tax (because they are exempt and choose not to...), is the provision in section 2102 specifically allow church staff to take part in the Unemployment Insurance areas "who do not normally qualify for unemployment"? Is there a different way to apply for unemployment for church staff to get approved and not rejected because of the existing lack of churches paying unemployment taxes?

A: While churches in many jurisdictions may opt out of the state unemployment benefits program, current federal legislation is allowing unemployment insurance benefits to individuals who would otherwise be rejected because of their employer does not contribute to the program. Your individual state program should be consulted in this matter and the employees should be encouraged to apply for the benefits.

11. Q: How do we maintain our staff during these trying financial times?

A: Maintaining staff during this difficult time is a problem faced by religious and secular employees alike. I hope that our webcast on April 15th provides some helpful information to you.

12. Q: How does one deal with a staff member who is adamant that they will not take a temporary pay cut if necessary. Adamant to the point of saying "if that happens, I'm out-of-here"? The individual is in a key position.

A: It is difficult for many staff members to understand the magnitude of the impact of the COVID-19 disaster on religious employers. If a staff member is adamant that they will not accept a temporary pay cut it may be the only option of your organization to lay that position off, at least temporarily. Most churches face this difficult situation but approach it from the perspective of doing what is in the overall best interest of the organization.

13. Q: How/if to pay musicians who are not able to fulfill all responsibilities of their contracts?

A: Without reviewing the state law in your jurisdiction, it is safe to say that many contracts will become void or voidable, at least in part, if their fulfillment is impossible due to circumstances beyond the parties of the contract. This matter should be addressed directly with the musicians and see if a temporary renegotiation of the contract is possible so that the musicians are paid for the time that they actually work (assuming that they are working.)

14. Q: I am especially concerned about Safe Church practices for churches in the area of zoom, and Youtube. Especially in how we protect people's privacy and protect children as we post videos to Youtube.

A: You are right to be concerned about the safety and confidentiality of information during this time of telecommuting. This is an issue we will address in the April 15th webcast.

15. Q: How pastors can educate the laity that cutting hours means less work from the pastor? My congregation just cut my hours to 15 and when I asked them to do a specific task, the moderator said, "So you aren't willing to work more than the 15 hours we pay you for?"

A: Generally speaking, an individual who is only working 15 hours per week is considered a non-exempt employee. Non-exempt employees are paid for the actual hours that they work. So, if an individual works 15 hours, they should be paid for 15 hours. If they work more than that, they should be paid more than that. There is a defense to wage claims by ministers called the "ministerial exception," however, an explanation of that application is very long and detailed.

16. Q. I complete my interim contract this Sunday April 19. I was scheduled for a trial sermon and vote on March 26 and my start date would have been May 3 before the social distancing. Now I am in limbo with no employment after this Sunday. Am I eligible for unemployment?

A: Generally speaking, unemployment benefits are based on an ongoing prior employment history. However, given the uncertainty of our current situation, I would suggest that you contact the unemployment insurance benefits agency in your state to see if you are eligible for unemployment benefits based on your employment and the expected employment you lost due to the COVID-19 crisis.

17. Q: I'm particularly interested in CARES Act section 2301. Is the credit limited to the amount of payroll tax due or is the available credit in excess of the payroll tax refunded to the employer. Example: taxpayer has one eligible employee who will earn \$10,000 between March 13 and December 31. Would the total available credit be limited to \$765 (\$10,000 times 7.65%) or would it be \$5000 with the excess over \$765 being refunded to the taxpayer?

A: Thank you for your question, it is certainly pertinent to this difficult time. Your church would be well advised to consult with a CPA to determine whether the church will be in a position to repay the PPP loan if employees stop working and seek other employment. The church's entire financial position should be considered. We do not want to leave the church with substantial financial debt if the employees leave. A comprehensive analysis of the church's financial position should be undertaken before the loan is entered into.

18: Q: Is it appropriate to compare total givings - say for the Month of March - as compared to previous givings; if there is a 25% decrease; decrease salaried employees thru time and salaries - by that same percentage? Then adjust accordingly, as time progresses, while we are going through this pandemic?

A: During the COVID-19 crisis many employers are reducing salaries in order to maintain the viability of the organization. In reducing salaries, you must do so in a non-discriminatory manner. Also, keep in mind that rates of pay (hourly or salaried) must not fall below your state's minimum wage requirements. Also, be aware that a reduction in compensation may result in a particular employee no longer qualifying to be exempt. That employee then becomes a non-exempt employee. Increase in the rates of pay post-pandemic would be expected based on a comparable increase in the organization's revenue.

19. Q: Loans that become grants, \$10,000 off the top loans, and other options being advanced by government.

20. Q: Must part-time (15 hrs/week) hourly employees, who choose to not work because existing medical conditions, be paid during this time period of sheltering at home?

A: Only employees who meet one or more of the specific six criteria under the Emergency Paid Sick Leave Act are eligible for the 80 hours of paid sick leave that congress recently passed. However, an individual who chooses not to work because of an existing medical condition may likely not meet one of those criteria. However, that individual may be eligible for paid sick leave under a state program or an employer policy in your jurisdiction.

21. Q: Normally church employees are not eligible for unemployment, are there exceptions for this unique time?

A: In many cases, employment benefits have been expanded to cover those who (like church employees in many cases) were not previously eligible for unemployment insurance benefits. You may wish to encourage your employees to file for unemployment insurance benefits as needed.

22. Q: We are finding it difficult to find a banking institution that is still accepting applications, as they are all maxed-out or we need to be a current or established banking customer. What other non-loan options are available that would help us continue paying (and retaining) our employees should tithing drop significantly?

A: I am sorry to hear that you are finding difficulty locating a lending institution. I have heard that some lending institutions are only working with pre-existing customers. I encourage you to research all institutions in your area that handle SBA loans as the SBA loans are the one that provides the Payroll Protection Program recently put in place by congress.

24. Q: We are told conflicting things regarding our gathering together. Some say we are suppose to self-quarantine ourselves in our homes and others say that it is OK to meet as long as it is with 10 people or less and we stay 6 feet apart. I church in our community continues to meet in small groups and they are staying more than 6 feet away from each other. I wonder if we should be offering the same thing. Other churches are meeting together in larger numbers in cars. Some pass out orders of service as people drive in and others are outside of their cars chatting or talking with windows down and less than 6 foot apart. It is confusing. Thanks, Duane

A: Hello Duane, your church is not the only one confused by many of the stay-at-home orders. I would ask you to contact the health department in the county in which your church is located so that you can comply with the orders that are issued. As a word of caution, we have experienced clients who have continued with small group gatherings that, unfortunately, may well have contributed to the spread of the virus in their area. I wish you well.

25. Q: We would like an update on church employees eligibility for unemployment insurance.

A: In many cases, employment benefits have been expanded to cover those who (like church employees in many cases) were not previously eligible for unemployment insurance benefits. You may wish to encourage your employees to file for unemployment insurance benefits as needed.

26. Q: What does a furlough look like for part-time church employees who cannot do their jobs while the church is closed?

A: Different states treat "furloughs" differently. You need to identify the law specifically applicable to your state. As an example, in California, an individual who is "furloughed" and does not return to work within the pay period, is effectively terminated and vacation and PTO time must be paid out to the individual.

27. Q: What happens we are cleared to return to work?

A: Please follow closely the requirements of your state, county, and city as these entities begin to implement requirements for return to work.

28. Q: While not at this point, at last meeting our Personnel Committee tried out some scenarios around furlowing staff. In our area, we have heard that one employee is furlowing employees but paying 100% of health insurance. We are interested in other supportive ideas in the event that staff has to be temporarily reduced.

A: In furloughing staff, you need to know what the law is in your particular state. Some jurisdictions (California) a furloughed employee who does not return to work with in the same pay period must be paid out all vacation/PTO time. This is a tremendous expense to the employer. Further, continued payment of health benefits by the employer may be dictated by the health plan provider. I would suggest that your personnel committee consult with the plan provider to make sure that you are doing so consistently with the terms of the plan.

29. Q: Will there be any relief given by the Board of Pensions from benefit costs to lower the church's benefit costs so the church can keep their employees and continue doing ministry for the church and spreading the gospel?

A: While I appreciate your question regarding the Board of Pensions, I am unable to answer that question specifically. I would suggest that it be redirected specifically to the Board of Pensions. I hope that they are able to accommodate you.