June, 2020

The Honorable Mitch McConnell  The Honorable Charles Schumer
Majority Leader  Minority Leader
United States Senate  United States Senate
Washington, DC 20510  Washington, DC 20510

Dear Majority Leader McConnell, Minority Leader Schumer:

We commend the provision of paid sick and family leave established by the Families First Coronavirus Response Act (FFCRA). The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, passed by the House of Representatives on May 18, rightly extends the FFCRA’s benefit for more time, purposes, and workplaces. However, the cost of providing this benefit poses a significant financial burden to nonprofit institutions who are already under financial stress. The next round of COVID-19 related legislation should extend emergency paid leave benefits and the refundable payroll tax credit to nonprofit organizations of all sizes.

Paid sick and family leave benefits are vital to organizations, employees, and households
In order to slow the spread of COVID-19, organizations must be assured that employees who are experiencing COVID-symptoms do not come to the workplace. Paid sick days enable and encourage workers to remain home when sick. Paid family leave enables families to care for young children, disabled, and elder family members while schools and other places of care are unavailable. Paid sick and family leave also protects employer-employee relationships. It allows organizations to retain the people whose skills and mission-orientation sustain our institutions.

The refundable payroll tax credit for paid sick and family leave should be available to all nonprofit employers, regardless of organization size
The FFCRA established a payroll tax credit to defray the cost of employers of providing emergency paid sick and family leave. This credit has been of particular value to nonprofit organizations who would not have been able to redeem an income tax credit. As Congress contemplates eliminating the 500-employee threshold for emergency paid sick and family leave, it is crucial that the payroll tax credit be available to all nonprofit organizations, including those with more than 500 employees.

The undersigned are faith-based nonprofit organizations engaged in education, human services, religious ministries, and more. Many of us are experiencing demand for our services and the challenge of pandemic-adaptation even as charitable giving and other sources of revenue decline. A mandate to provide paid sick and family leave without a corresponding credit would threaten the stability and viability of many of our institutions. The next COVID-response package should include an extension of emergency leave as well as a refundable payroll tax credit to all nonprofit-sector employees and nonprofit organizations regardless of size.

Thank you for your attention to this matter and your service to our country.