Dealer Advisory May 19, 2020



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Governor Whitmer Reopens Retail, Restaurants, and Offices in Upper Peninsula, Traverse City Regions

Governor Whitmer has signed <u>Executive Order 2020-92</u>, revising the "stay home, stay safe" order, which is the order that keeps dealership showrooms closed to in-person traffic. (Temporarily suspending certain activities that are not necessary to sustain or protect life.) The order maintains the same May 28, 2020 expiration date. (See the press release.)

The new order has been amended to allow, in two regions, social gatherings of up to 10 people and to permit the reopening of retail businesses, office work that cannot be done remotely, and restaurants and bars with limited seating. The two regions are both in the northern part of the state-specifically, MERC regions 6 and 8, as detailed in the governor's MI Safe Start Plan to re-engage Michigan's economy.

The partial reopening will take effect on Friday, May 22. Cities, villages, and townships may choose to take a more cautious course if they wish: the order does not abridge their authority to restrict the operations of restaurants or bars, including limiting such establishments to outdoor seating.



Region 6 counties: Manistee, Wexford, Missaukee, Roscommon, Benzie, Grand Traverse, Kalkaska, Crawford, Leelanau, Antrim, Otsego, Montmorency, Alpena, Charlevoix, Cheboygan, Presque Isle, and Emmet.

Region 8 counties: Gogebic, Ontonagon, Houghton, Keweenaw, Iron, Baraga, Dickinson, Marquette, Menominee, Delta, Alger, Schoolcraft, Luce, Mackinac, and Chippewa.

Businesses indicated in EO 2020-92 may reopen, effective Friday, May 22, with mandatory safety measures. (Keep reading below.)

Mandatory Safety Measures for Businesses That Reopen

Governor Whitmer also signed <u>Executive Order 2020-91</u> to ensure robust protections for Michigan workers as she continues to re-engage parts of the economy. This executive order requires all businesses to adhere to strict safety guidelines to protect their workers, their patrons, and their communities from infection. To foster compliance, the governor also signed <u>Executive Directive 2020-6</u> to appoint a Director of COVID-19 Workplace Safety within the Department of Labor and Economic Opportunity (LEO). (<u>See the press release.</u>)

Under this EO, businesses that resume in-person work must meet a number of mandatory requirements. (The bullets below are only a small portion of the complete list.)

• Section 1(a) Develop a **COVID-19 preparedness and response plan**, consistent with recommendations in Guidance on Preparing Workplaces for COVID-19, developed by the Occupational Health and Safety Administration and available here. By June 1, 2020, or

within two weeks of resuming in-person activities, whichever is later, a business's or operation's plan must be made readily available to employees, labor unions, and customers, whether via website, internal network, or by hard copy.

- Section 1(b) **Designate one or more worksite supervisors** to implement, monitor, and report on the COVID-19 control strategies developed under subsection (a). The supervisor must remain on-site at all times when employees are present on site. An on-site employee may be designated to perform the supervisory role.
- Section 1(c) Provide COVID-19 **training to employees** that covers, at a minimum:
 - 1. Workplace infection-control practices.
 - 2. The proper use of personal protective equipment.
 - 3. Steps the employee must take to notify the business or operation of any symptoms of COVID-19 or a suspected or confirmed diagnosis of COVID-19.
 - 4. How to report unsafe working conditions.
- Section 1(d) Conduct a **daily entry self-screening protocol** for all employees or contractors entering the workplace, including, at a minimum, a questionnaire covering symptoms and suspected or confirmed exposure to people with possible COVID19.
- There are significantly more requirements for businesses permitted to reopen. It is important for businesses to carefully review <u>EO 2020-91</u> for the complete list of requirements. Businesses should also refer to Section 6 on retail stores and Section 7 on office environments.

Under Executive Directive 2020-6, all state departments and agencies that are responsible for enforcing workplace health-and-safety standards must monitor workplaces for compliance with the rules adopted in Executive Order 2020-91 and, as necessary, take action to enforce the order and ensure compliance.

MADA, DADA and ADM are still reviewing the information and communicating with the governor's office about these new orders. We will report back to dealers when we have more guidance to provide..

Updates and Guidance from Michigan

New MIOSHA Workplace Guidelines

MIOSHA's Consultation Education and Training (CET) Division has developed COVID-19 Workplace Guidelines to provide employers and employees with helpful information, related to preventing and controlling COVID-19 exposure in the workplace. This information was developed based on guidance from the U.S. Centers for Disease Control and Prevention (CDC), U.S. Occupational Safety and Health Administration (OSHA) and the Governor's Executive Orders on reopening industries. Employers should continue to review CDC and OSHA websites, to ensure their workplace policies and procedures are based on the most up-to-date information, as information related to COVID-19 is changing rapidly.

Press release

COVID-19 Workplace Guidelines:

- Employer Guide
- Employee Guide

COVID-19 Workplace Guidelines YouTube videos:

- Employer Presentation
- Employee Presentation

Written Exposure Control Plan:

Employers must create a plan which includes exposure determination and outlines measures that will be taken to prevent employee exposure to COVID-19, including as appropriate:

- Engineering controls
- Administrative controls
- Hand hygiene and environmental surface disinfection

- Personal protective equipment
- Health surveillance
- Training

Sales, Use and Withholding Tax Payments

In support of businesses navigating their way through the COVID-19 pandemic, the Michigan Department of Treasury has issued a notice that provides business taxpayers additional time pay their Sales, Use and Withholding (SUW) taxes.

Business taxpayers who were scheduled to make SUW tax payments due in March, April and May – including quarterly filers – can postpone filing requirements until June 20, 2020. The state Treasury Department will waive penalties and interest on those deferred payments.

Press release

Michigan Begins Contact Tracing

The State of Michigan asks that if you get a call from 866-806-3447, MI COVID HELP or your local health department, please answer.

Public health staff will reach out to people with confirmed or suspected infections and ask about close contacts they've had during the time they may have been infectious. Contact tracers then call anyone who may have been exposed as quickly and sensitively as possible.

Contacts are given information and support to understand their risk and how to keep others safe. They're asked to monitor themselves for illness and to seek help if they become ill. They may be asked to quarantine or isolate themselves.

The calls are confidential. Contact tracers protect the privacy of patients and contacts. They don't give the name of the patient, only that they may have been exposed to someone with the infection.

Read more

Additional News and Updates

NADA: PPP Loan Forgiveness Application Now Available



The Small Business Administration and the Treasury Department issued the Paycheck Protection Program Loan Forgiveness Application, along with detailed instructions and worksheets. Forgiveness applications will generally not be filed until after June 30, 2020.

The application and materials are designed to simplify the process and reduce compliance burdens and include:

- An alternative option for calculating payroll costs using an "alternative payroll covered period" that aligns with a borrower's regular payroll cycle.
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during a borrower's eight-week covered forgiveness period.
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness.
- Borrower-friendly implementation of the statutory exemptions from loan forgiveness reductions, including a "safe harbor" based on rehiring employees by June 30, 2020.
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made good-faith, written offers to rehire workers who were declined or who have other former employees who departed under certain conditions.
- A description of the documents that dealers need to submit in support of a forgiveness

application.

More information...

- Press release from SBA and Treasury
- Fisher Phillips: <u>The Wait Is (Mostly) Over: SBA Releases Paycheck Protection Program Forgiveness Application</u>
- UHY LLP: <u>SBA releases PPP loan forgiveness application</u>
- Fenner, Melstrom & Dooling, PLC: SBA Publishes PPP Loan Forgiveness Application

CDC Consolidates Information for Businesses and Employers

The Centers for Disease Control has consolidated its coronavirus information for businesses in one place. Best practices can be found in its <u>COVID-19</u>: <u>Businesses & Workplaces page</u>. NADA encourages dealers to review CDC's guidance for prevention and support, download helpful posters and use checklists for the workplace environment.

New Information from Fisher Phillips

May 15 -- Fisher Phillips Post-Pandemic Back-To-Business FAQs For Employers

New question within the <u>masks in the workplace</u> section: A customer or guest has indicated that they are exempt from any facemask requirement due to an underlying medical condition, and refuse to provide any further information. What should we do?

May 15 -- Legal Alert: Employers To The Rescue... Maybe! IRS Permits Additional Flexibility For Cafeteria Plan Elections And Carryovers

In response to the realization that many employees will have unanticipated medical and childcare challenges due to COVID-19, the IRS just provided employers with a number of optional amendments that can be made to Section 125 cafeteria plans and related health plans and flexible spending arrangements (FSAs). The agency guidance released on May 12 is significant as it allows you the option to let employees revoke, add, or change 2020 coverage elections now, instead of waiting until open enrollment, and without a qualifying status change.

Webinars This Week

NADA Dealership Webinar Lifeline Series

- May 19, 2020 | 1-2pm ET ~ Creating the New Normal in Fixed Operations
- May 20, 2020 | 1-2pm ET ~ Video Communication: Building Trust in a Virtual Environment
- May 21, 2020 | 1-2pm ET ~ NADA All Dealer Town Hall Meeting
- $\bullet \;$ May 22, 2020 | 1-2pm ET \sim The Best Ideas from NADA 20 Groups, Part 4: In Times of COVID-19 Pandemic

Plante Moran Webinars

• May 20 | 2-3pm ~ CARES Act update: Maximizing the employee retention credit

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

This advisory has been prepared in conjunction with Colombo & Colombo, P.C., and Abbott Nicholson, P.C.

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