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**State of Vermont**  
**Department of Financial Regulation**  
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[www.dfr.vermont.gov](http://www.dfr.vermont.gov)

Date: October 20, 2020 (*updated October 21, 2020*)

## Vermont Hazard Pay Grant Program Updated Frequently Asked Questions (FAQs)

### Summary:

- Governor Scott has authorized a second round of grants for the Front-Line Employees Hazard Pay Grant Program. The program has now been expanded to include additional types of employers whose employees were engaged in activities substantially dedicated to mitigating or responding to the COVID-19 public health emergency *or* were providing essential services to Vermonters during the eligible period, March 13, 2020 through May 15, 2020.
- Governor Scott has authorized an additional \$22.5 million for this round of the program, which funds have been made available to the State of Vermont through the Federal Coronavirus Relief Fund. The Department of Financial Regulation is partnering with the Agency of Human Services to administer this round of the program, which is authorized through Acts [136](#), [154](#), and [168](#) of 2020.
- The application period for eligible applicants will open on Wednesday, October 28, 2020 at 9 a.m. EST. Grants will be awarded through an online application process and funds will be distributed on a **first-come, first-served basis**.
- Guidance documents are available through the links below:
  - Program guidance may be found [here](#); and
  - Application instructions may be found [here](#).
- The following updated FAQs and responses have been grouped by category.

### General questions

**1. Who is eligible to apply for the Hazard Pay Grant Program?**

Only covered employers and ARIS Solutions, the fiscal agent for the employers of the independent direct support providers, may apply for a lump sum grant award to be distributed to eligible employees in the amount of \$1,200 or \$2,000 per employee. See FAQ #2 for more information on covered employers. **INDIVIDUAL EMPLOYEES ARE NOT ELIGIBLE TO APPLY.**

## 2. Which employers are considered covered employers that may submit applications?

A covered employer is an entity that employs one or more individuals in Vermont in relation to its operation of one of the following:

- An ambulance service or first responder service as defined in [24 V.S.A. § 2651](#);
- An agency licensed pursuant to [26 V.S.A. § 3172](#) that provides security services, as defined in [26 V.S.A. § 3151](#), to another covered employer, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its eligible employees who provided security services to another covered employer during the eligible period;
- An assisted living residence as defined in [33 V.S.A. § 7102](#);
- A child care facility as defined in [33 V.S.A. § 3511](#) that provided child care services to essential service providers pursuant to [Directive 2 of Executive Order 01-20](#);
- A cleaning or janitorial service that provides cleaning or janitorial services to a specified covered employer in locations that are open to the general public or regularly used by the residents or patients of that covered employer, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its eligible employees who provided cleaning or janitorial services to another covered employer during the eligible period;
- A dentist's office or a dental facility;
- A federally qualified health center, rural health clinic, or clinic for the uninsured;
- A food service provider that prepares and provides meals for residents or patients of a specified covered employer, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its eligible employees who provided food services to the residents or patients of a specified covered employer during the eligible period;
- A funeral establishment or crematory establishment as defined in [26 V.S.A. § 1211](#);
- A grocery store;
- A health care facility as defined in [18 V.S.A. § 9432](#) or a physician's office;
- A home health agency as defined in [33 V.S.A. § 6302](#) and any employer that a home health agency has contracted with to provide physical, speech, respiratory, or occupational therapy on its behalf, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its employees for therapy services provided on behalf of the home health agency;
- A homeless shelter, including a lodging establishment, as defined in [18 V.S.A. § 4301](#), that, during the eligible period, provided temporary housing to homeless individuals pursuant to an agreement with the Department for Children and Families (DCF);
- A morgue;
- A nursing home as defined in [33 V.S.A. § 7102](#) and any employer that a nursing home has contracted with for the provision of physical, speech, respiratory, or occupational therapy, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its employees for therapy services provided in the nursing home

- An operator of a privately owned water pollution abatement and control facility, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its eligible employees who performed work in the water pollution abatement and control facility;
- A pharmacy;
- A program licensed by DCF as a residential treatment program;
- A provider of necessities and services to vulnerable or disadvantaged populations;
- A residential care home as defined in [33 V.S.A. § 7102](#);
- A retailer identified as essential in Sec. 6, paragraphs f and h of [Addendum 6 to Executive Order 01-20](#), provided that, during the eligible period, the retail establishment was open to the general public for in-person sales;
- A therapeutic community residence as defined in [33 V.S.A. § 7102](#);
- A trash collection, waste management, or septic service;
- A traveling nurse agency or other business whose employees provide temporary or contract nursing services to or on behalf of a specified covered employer, provided that such an employer shall only be permitted to receive a grant to provide hazard pay to its eligible employees who provided nursing services to a specified covered employer during the eligible period;
- A vocational rehabilitation service provider; or
- A wholesale distributor making deliveries to a grocery store, pharmacy, or retailer identified as essential in Sec. 6, paragraphs f and h of [Addendum 6 to Executive Order 01-20](#).

Covered employers do not include:

- The State of Vermont;
- A political subdivision of the State;
- The United States;
- An agency designated to provide mental health or developmental services, or both, pursuant to [18 V.S.A chapter 207](#); or
- An agency with which the Commissioner of Mental Health or the Commissioner of Disabilities, Aging, and Independent Living, or both, has contracted to provide specialized services pursuant to [18 V.S.A. § 8912](#).

Other organizations that do not operate a facility, office, program, or service listed above are not eligible to apply for Hazard Pay Grant Program funding.

It is possible that some employers that are not considered covered employers for Hazard Pay Grant Program funds might be eligible for other economic recovery grant programs. Information about other programs can be found [here](#).

**3. What is the application submission timeline?**

<b>Application Submission Period</b>	<b>Time Period Covering</b>
October 28, 2020 at 9:00 am EST to November 13, 2020 at 11:59 pm EST or until grant funds are depleted. Grants will be awarded on a first-come, first-served basis	March 13, 2020 – May 15, 2020

Applications should be submitted electronically using the web-based form as soon as possible starting on October 28, 2020 at 9 AM EST. Funding determinations will be made for eligible applications on a first-come, first-served basis, subject to available funding. Demand for grant funds is expected to exceed available funding.

**4. Is there a time limit on when I can spend the grant?**

Yes. Eligible covered employers in the second round of the grant program are required to acknowledge and agree that they must spend Hazard Pay Grant Program funds for eligible employees by December 15, 2020. Covered employers that received grants in the first round of the grant program are required to acknowledge and agree that they must spend Hazard Pay Grant Program funds for eligible employees within 90 days of the grant award or by December 15, 2020, whichever is earlier. All covered employers who receive grants must return any unspent funds to the State of Vermont by December 15, 2020. See FAQ #39, below.

**5. What happens if more eligible covered employers apply than there are available funds for grants?**

Funding will be distributed on a first-come, first-served basis as long as there is still funding available.

**6. How can I stay up to date on information regarding the Hazard Pay Grant Program?**

The latest information regarding the Hazard Pay Grant Program will continue to be posted [here](#) as it becomes available. This is the best place to check for up-to-date information.

**7. What will happen if the grant review team needs more information after I submit my application?**

A grant team reviewer will review your application and the documents you uploaded for accuracy and to ensure all necessary information was provided. If anything appears to be missing, a reviewer will contact you using the primary contact information provided during registration. The email will likely come from VT Noreply <[sov.erg.donotreply@vermont.gov](mailto:sov.erg.donotreply@vermont.gov)>. Some spam filters may incorrectly file messages to your junk email folder. Please check your junk email folder for contacts from this email address.

**8. When will my organization know if we are approved for a grant award?**

Applicants will receive notices by email after their grants are reviewed. Notices will be sent from VT Noreply <[sov.erg.donotreply@vermont.gov](mailto:sov.erg.donotreply@vermont.gov)>. See FAQ #7 for tips for ensuring you receive these notices.

**9. What happens after my organization is approved for a grant award?**

Your organization will receive an email stating that you are approved for a grant award. You will also receive two additional emails if you are approved. You will receive a grant award email that includes the terms of your grant award; these terms are in addition to the certifications you made in your application. You will also receive an email about the spending report you must submit no later than 90 days after receiving the grant or December 15, 2020, whichever is earlier. If your application is approved, a check will be mailed to the address specified in your organization's W-9, as entered into the Application.

**10. I received an email stating that my application is incomplete and I need to correct it through the online grant portal. How do I locate my username?**

A username will be assigned to you when you start your application. It is your email address with ".vtgrants" added at the end. For example, if your email address is info@xyz.com, then your username is info@xyz.com.vtgrants. If you do not receive this email, check your junk or spam folder.

**Questions about eligibility**

**11. Which employees are considered eligible employees?**

To be considered an eligible employee, an employee must meet the following criteria:

- Was employed by the covered employer during the eligible period, which is March 13, 2020 through May 15, 2020;
- Performed a job that had an "elevated risk of exposure to COVID-19" during the eligible period;
- Was unable to perform their job remotely or to telework, including by providing health care or other services by telephone, videoconference, or telehealth;
- Earned an hourly base wage of \$25.00 or less during the eligible period, except in the case of employees of home health agencies and nursing homes, employees of an employer that provides nursing services to or on behalf of a home health agency or nursing home, and resident physicians and resident dentists employed by a health care facility as defined in [18 V.S.A. § 9432](#) or a physician's office;
- Worked at least 68 hours for a covered employer during the eligible period; and
- Is not eligible to receive monetary benefits for the performance of their job under any program authorized or implemented by the federal government.

"Elevated risk of exposure to COVID-19" means the performance of a job that meets at least one of the following three criteria:

1. Performance of a job that has high potential for exposure to known or suspected sources of COVID-19, including through:

- a. providing in-person services or care to members of the public, patients, residents, or clients; or
  - b. cleaning or sanitizing the premises of a Covered Employer in a location that is used by members of the public, patients, residents, clients, or individuals who are known or suspected to have COVID-19.
2. Performance of a job that:
- a. Requires frequent physical contact or close contact, or both, with individuals who may be infected with SARS-CoV-2, but who are not known or suspected COVID-19 patients. "Close contact" includes interactions with another individual that require the employee to be within six feet of that individual; or
  - b. Involves regularly cleaning or sanitizing the premises of a Covered Employer in a location that is regularly used by individuals who may be infected with SARS-CoV-2, but who are not known or suspected COVID-19 patients; or
3. Performance of a job that is located in an area or facility with ongoing community transmission of SARS-CoV-2 and requires regular, close contact with members of the public, patients, residents, or clients. "Close contact" includes interactions with another individual that require the employee to be within six feet of that individual. Vermont had ongoing community transmission of SARS-CoV-2 during some, but not all, of the eligible period. Ongoing community transmission of SARS-CoV-2 occurred between March 13, 2020 through April 28, 2020.

Additional information about these eligibility criteria including factors for determining eligible hours is located in the program guidance found [here](#).

Applicant payroll reports may be requested by the grant review team to support the Hazard Pay Grant Program payments requested and could be subject to audit.

**12. Are volunteers eligible for Hazard Pay Grant Program funds?**

Volunteers are not eligible because they would not meet the criteria of being employed by a covered employer during the eligible period.

**13. Can I calculate an hourly base wage for my employees who receive a salary?**

Applicants may calculate an hourly base wage for employees who have an annual salary.

**14. Is a municipal ambulance service eligible when the ambulance service is under the town/reports to a select board?**

Covered employers do not include "a political subdivision of the State" such as a town or county and therefore a town or county may not apply for the Hazard Pay Grant Program.

**15. Is an employee able to receive Hazard Pay Grant Program payments through more than one employer?**

Only covered employers may apply for this grant opportunity. Each covered employer that applies will indicate which of their employees are eligible, per the Hazard Pay Grant Program requirements. If an employee meets these criteria for more than one covered employer, both of

the covered employers may apply for grant funding to provide the employee Hazard Pay Grant Program payments for the performance of their different jobs.

**16. Is an employee able to receive Hazard Pay Grant Program payments through this program if they have received hazard pay payments from another employer or another state?**

Eligible employees in Vermont who received hazard pay payments from an employer or another state (e.g., New Hampshire) may be eligible for Hazard Pay Grant Program payments; the receipt of payment from an employer or another state does not make them ineligible.

**17. Would working from your own home or being on call from your own home be considered in the hours worked?**

Any hours of remote or telework performed by the eligible employee (including the provision of healthcare or other services by telephone, videoconference, or telehealth) should not be included. The program guidance found [here](#) (Section 7), "Factors for Determining the Number of Hours Worked" provides additional information about eligible hours.

**18. What hours of leave time would be considered in the hours worked?**

When determining employee eligibility, covered employer applicants should include any hours of employer-provided accrued paid leave or leave provided pursuant to the Emergency Family and Medical Leave Expansion Act or the Emergency Paid Sick Leave Act that were used by the Eligible Employee because they contracted COVID-19 or were quarantined because of exposure to COVID-19. Do not include any hours of employer-provided accrued paid leave or leave provided pursuant to the Emergency Family and Medical Leave Expansion Act or the Emergency Paid Sick Leave Act that were used by the eligible employee to care for another individual or any other hours of leave time.

**19. Are former employees eligible?**

Yes. Under the expanded Hazard Pay Grant Program, former employees are potentially eligible for hazard pay payments. Covered employers who either submitted an application in the first round of the Hazard Pay Grant Program or who submit an application in the second round *must* identify potentially eligible former employees who are no longer employed by the employer at the time of the application. To do this, the employer must submit contact and other information for the former employees. If the covered employer's application is approved, the grant review team will notify these former employees of their potential eligibility and provide them with information on how to apply for a Hazard Pay Grant Program payment. If the covered employer application is approved, eligible former employees will receive a payment directly from the program. If a former employee does not directly apply for a grant before the deadline specified in their notice, they will not receive a Hazard Pay Grant Program payment.

**20. I am a former employee of a covered employer. Can I apply for a direct Hazard Pay Grant Program payment?**

The grant review team will contact and notify any eligible former employees if they become eligible to apply for a direct Hazard Pay Grant Program payment. Former employees will only become eligible to apply if: (a) a covered employer first submits a grant application that

identifies the former employee as a potentially eligible former employee and certifies certain information used to determine a former employee's eligibility and the amount of their potential payment; and (b) the covered employer's application is approved by the State of Vermont. If the covered employer's application is approved, the grant review team will notify each identified former employee of their potential eligibility and provide them with an application form and information on how to apply. A former employee will only receive a payment if they then submit a complete application for a direct Hazard Pay Grant Program payment before the deadline indicated in the notice sent to them, and their application is approved. If your former employer does not submit an application identifying you as a former eligible employee, or if your former employer's application is not approved before available funding runs out, you will not be eligible to apply and will not be contacted by the grant review team. The grant review team will use contact information provided by the covered employer in its application to send the notices and applications to the former employees. It may be useful for former employees to reach out to their former employers as soon as possible to discuss their eligibility for the Program and to provide updated contact information.

**21. If I am a covered employer and also worked for my business, can I qualify for a Hazard Pay Grant Program payments?**

If you are also an employee of the organization that is applying, and meet the employee eligibility criteria, then you may also receive a Hazard Pay Grant Program payment. Hours worked as an independent contractor or sole proprietor are not eligible. Please see the program guidance found [here](#) for information about eligible employees.

**22. Are independent direct support providers eligible for Hazard Pay Grant Program payments and do their employers need to submit a Hazard Pay Grant Program application on their behalf?**

Independent direct support providers may be eligible to receive Hazard Pay Grant Program payments. ARIS Solutions is the fiscal agent for the employers of independent direct support providers, which are defined in [21 V.S.A. §1631](#). ARIS Solutions is specifically mentioned in [Act 136 of 2020](#), allowing them to apply for a Hazard Pay Grant Program grant on behalf of the independent employers. Details for the Hazard Pay Grant Program process for independent employers and their employees is available from ARIS Solutions, which applied on behalf of eligible independent direct support providers during the first round of the program.

**23. My business was deemed an essential business during the height of the pandemic. Does that make me eligible to apply for the Hazard Pay Grant Program?**

Not all businesses deemed essential during the height of the pandemic are eligible to apply. Only certain "covered employers," as further defined in FAQ #2 above, are eligible.

**24. Are out-of-state employers eligible to apply for this funding if they provide services in Vermont?**

A covered employer could be a parent company from another state that has a branch location in Vermont, but it must employ one or more individuals in Vermont in relation to its operation. Covered employers must enter the employee's name, work site location, and work

site address in the application using the Summary Report of Eligible Employees which may be found [here](#). Eligible employees must perform their job in a work site located in Vermont, and only hours of work performed in Vermont are eligible.

**25. We contract with an outside company for certain services in our health care facility. Can we apply for their employees?**

Eligible employees are defined as individuals who were employed by a covered employer during the eligible period. The employees of a contractor are only eligible if the contractor is a covered employer and could apply on its own. If you believe that your contractor is a covered employer, please inform them of the Hazard Pay Grant Program and encourage them to apply directly.

**26. We received a Paycheck Protection Program (PPP) loan from the federal government and paid our employees hazard pay with these monies. Can we still apply for the Hazard Pay Grant Program?**

Yes. Your PPP loan does not disqualify you from applying for this grant or your eligible employees from receiving payments.

**27. Is there additional information we can share with our employees about the potential impact of Hazard Pay Grant Program payments on public benefits?**

The State of Vermont has developed information for eligible employees to support them in understanding the potential impact of Hazard Pay Grant Program payments on public benefits. This information may be found [here](#).

**28. Is an employee eligible for a payment under the Hazard Pay Grant Program if they received unemployment insurance benefits during the eligible period?**

An eligible employee that received unemployment insurance benefits for one week or less during the eligible period is eligible for a maximum payment of \$1,200 under the program. An employee that received more than one week during the eligible period is not eligible.

**Questions about completing the application**

**29. Does the employee or employer fill out this information?**

Only covered employers may apply for this grant opportunity to provide Hazard Pay Grant Program payments to their eligible employees.

**30. What do I need to prepare in advance to apply?**

Detailed application instructions can be found [here](#).

Before you get started with the application, you will want to have the following information available:

- Vermont employer identification number (7-digit number used for Vermont Department of Labor filings). Providing this number is not required but helps populate some of the application required fields;

- Federal Employer Identification Number (FEIN) or Social Security Number if you are filing as a sole proprietor; and
- Contact information for the individual responsible for the application.

You will also want to have the following spreadsheet completed and available for uploading:

- [Summary Report of Eligible Employees](#); and
- [Summary Report of Former Employees](#) (if applicable).

You will also need to establish a process to permit eligible employees to elect not to receive Hazard Pay Grant Program payments and record keeping procedures to track which employees have elected not to receive a grant. You do not need to upload these documents; however, you will need to certify that you established this process and record keeping procedures in your application.

### **Questions about payments to eligible employees**

**31. How will eligible employees receive their Hazard Pay Grant Program payments? Will they receive checks directly, or does the covered employer issue checks?**

Covered employers make payroll payments to current eligible employees after receiving Hazard Pay Grant Program funds from the State of Vermont. The grant review team will notify former employees identified in an approved application that they are eligible to apply for a direct payment and provide instructions to apply. The former employees that apply before the deadline set forth in the notice and whose applications are approved will receive payment directly from the State of Vermont.

**32. I received Hazard Pay Grant Program payments to distribute to eligible employees at my organization. One employee recently gave notice that they are terminating employment. May I still provide them with their payment?**

In order to be eligible to receive a Hazard Pay Grant Program payment from a covered employer, an individual must have been employee by the employer during the eligible period. If the individual terminates their employment after the date the application with their name and eligibility information is submitted and approved, then the covered employer should disburse the payment to the individual if the covered employer is able to do so. There may be situations where a covered employer is unable to disburse a payment to a recently terminated employee, such as not being able to add the recently terminated employee onto payroll or not being able to locate the recently terminated employee. In these circumstances, the covered employer should immediately contact the grant review team at [COVIDHazardPay@vermont.gov](mailto:COVIDHazardPay@vermont.gov).

**33. Can a covered employer charge an administrative fee in relation to requesting funding and distributing Hazard Pay Grant Program payments to eligible employees?**

No. Covered employers may not charge eligible employees a fee to provide the employee with Hazard Pay Grant Program funding.

**34. Can covered employers recoup from the Hazard Pay Grant Program funds they have already paid to employees?**

No. All Hazard Pay Grant Program payments must be disbursed to eligible employees or returned to the State of Vermont. A covered employer may not reduce or otherwise recoup funds paid to or owed to an eligible employee for work performed during the eligible period to reimburse the covered employer for hazard pay previously provided to the eligible employee.

**Questions about payroll taxes**

**35. Are Hazard Pay Grant Program payments to eligible employees taxable?**

Yes. Hazard Pay Grant Program payments made to eligible employees are taxable. Covered employers may deduct both the employee's and employer's share of payroll taxes from the Hazard Pay Grant Program payment provided to an employee.

**36. As the covered employer, can we deduct federal and state unemployment taxes from Hazard Pay Grant Program payments?**

State and federal unemployment taxes that are based on a covered employer's payroll are payroll taxes. However, unemployment taxes are only deductible to the extent that such taxes directly arise from the payment to an eligible employee of their Hazard Pay Grant Program payment. For example, Vermont unemployment tax is only payable on the first \$16,100 in wages paid to each employee during a calendar year, and federal unemployment tax only applies to the first \$7,000 in wages paid to each employee during the year. So, if the Hazard Pay Grant Program payment made to an eligible employee is not part of the first \$16,100 that the covered employer pays to such employee during the year, then no state or federal unemployment tax may be deducted.

**37. Can a covered employer deduct workers' compensation insurance premium payments from Hazard Pay Grant Program payments?**

No. Workers' compensation insurance premium payments are not taxes and cannot be deducted as payroll taxes.

**38. If a portion of the Hazard Pay Grant Program funds are not used to make hazard pay payments to an eligible employee, either because the eligible employee rejected the hazard pay or terminated their employment, may the covered employer use such funds to cover some of the employer's share of payroll taxes for other eligible employees?**

No. If an employer receives Hazard Pay Grant Program funds for an eligible employee, but does not make a payment to that employee for any reason, then the employer must return to

the State of Vermont the full amount of the program funds attributable to such employee (\$1,200 or \$2,000, as applicable). If the unpaid eligible employee is a former employee of the covered employer, then the employer must notify the grant review team and provide contact information for such former employee.

**39. How does a Covered Employer return unused grant funds?**

After completing the Grant Funds Spending Report through the online grant portal, grant awardees must return any unused Hazard Pay Grant Program funds by December 15<sup>th</sup> to the address below:

State of Vermont Agency of Human Services  
Office of the Secretary  
Attn: AHS CO Accounts Payable  
280 State Drive, Center Bldg.  
Waterbury, VT 05671-1000

Checks must be made out to: State of Vermont Agency of Human Services. Please include the grant number on the memo line of the check. Instructions for completing the Grant Funds Spending Report are available [here](#).

**Questions about Round Two Grants for Round One Applicants**

**40. Are employees eligible for hazard pay in round two if they've received hazard pay in round one? (added October 21, 2020)**

No. If an employer paid hazard pay to an employee using Hazard Pay Grant Program proceeds from round one of the Program, then that employee would not be an eligible employee in round two of the Program.

**41. Can employers who received grants in round one of the Program apply for grants in round two of the program? (added October 21, 2020)**

Yes. All applicants for grants in round one of the Hazard Pay Grant Program are required to reapply and identify eligible employees who are no longer employed by them, and who did not receive hazard payments funded through round one grants. Employers may also apply for grants in round two for currently employed eligible employees who did not receive hazard payments funded with grant proceeds from round one. Some employees who were not eligible in round have become eligible in round two. For example, otherwise eligible employees who received one week or less of unemployment benefits between March 13 and May 15, 2020 were ineligible in round one, but are eligible for round two funding (up to \$1,200). Likewise, for round two, the \$25-an-hour wage requirement has been removed for

otherwise eligible resident physicians and dentists who are employed by a healthcare facility, as defined in 18 VSA § 9432, or a physician's office.