Front-Line Employees Hazard Pay Grant Program

Program Guidance

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Hazard Pay Grant Program Guidance

This document provides program guidance to eligible Covered Employer applicants for the Front-Line Employees Hazard Pay Grant Program.

A companion Application Instructions document will be made available here before October 28, 2020.

Frequently Asked Questions for Employers are available here.

If you still have a question after reviewing this document, you may submit a question here or email COVIDhazardpay@vermont.gov.

Program Guidance

1. Program Description
This grant opportunity is being issued per Act 136 of 2020, as amended by Acts 154 and 168 of 2020, to certain 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 time period. The Front-Line Employees Hazard Pay Grant Program (hereafter called “Program”) allows eligible Covered Employer applicants to request $1,200 or $2,000 per employee who meets Program criteria, including but not limited to elevated risk of exposure to COVID-19 and minimum number of hours worked. Grants will be awarded through an application process and funds will be distributed on a first-come, first-served basis.

2. Eligible Applicants
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 eligible employee.

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

a. An assisted living residence as defined in 33 V.S.A. § 7102;

b. 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;

c. A residential care home as defined in 33 V.S.A. § 7102;
d. A therapeutic community residence as defined in 33 V.S.A. § 7102;

e. A health care facility as defined in 18 V.S.A. § 9432 or a physician's office;

f. A dentist’s office or a dental facility;

g. 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;

h. 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;

i. A federally qualified health center, rural health clinic, or clinic for the uninsured;

j. A program licensed by the Department for Children and Families as a residential treatment program;

k. An ambulance service or first responder service as defined in 24 V.S.A. § 2651;

l. A morgue;

m. A provider of necessities and services to vulnerable or disadvantaged populations;

n. A traveling nurse agency or other business whose employees provide temporary or contract nursing services to or on behalf of a Covered Employer listed in this Section 2.a-e and g-j, 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 covered employer listed in Section 2.a-e and g-j during the eligible period;

o. A cleaning or janitorial service that provides cleaning or janitorial services to a Covered Employer listed in this Section 2.a-e and g-j 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;

p. A food service provider that prepares and provides meals for residents or patients of a Covered Employer listed in this Section 2.a-e and g-j, 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 Covered Employer during the eligible period;
q. A grocery store;

r. A pharmacy;

s. 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. This includes retail serving basic human needs such as grocery stores, pharmacies, other retail that sells food, beverage, animal feed and essential supplies; and hardware stores, in each case, that were open for in-person sales during the eligible period of March 13, 2020 to May 15, 2020;

t. A wholesale distributor making deliveries to a retailer described in this Section 2.q-s;

u. A trash collection, waste management or septic service;

v. 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;

w. 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;

x. A vocational rehabilitation service provider;

y. A funeral establishment or crematory establishment as defined in 26 V.S.A. § 1211; or

z. 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.

Covered Employers do not include:

• The State;

• 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 of Disabilities, Aging, and Independent Living, or both, has contracted to provide specialized services pursuant to 18 V.S.A. § 8912.

If a Covered Employer has more than one work site location or branch office, it may only submit one Program application that includes all sites or branches. Covered Employer applicants that submitted an application for the first round of Hazard Pay
funding may reapply to disburse hazard pay to additional eligible employees and to identify former employees to the State of Vermont who may be eligible to apply for funding directly from the State of Vermont.

ARIS Solutions has the authority to apply for a grant in the same manner as a Covered Employer and to disburse funding to eligible Independent Direct Support Providers as defined in 21 V.S.A. §1631.

3. Eligible Expenditures
Grant awards must be used by Covered Employers to provide hazard pay to Eligible Employees on or before December 15, 2020.

Employees who meet the Eligible Employee criteria indicated below and worked at least 68 hours but less than 216 hours in a job with an elevated risk of exposure to COVID-19 during the eligible period may receive $1,200 in hazard pay from the grant recipient.

Employees who meet all Eligible Employee criteria indicated below and who worked at least 216 hours in a job with an elevated risk of exposure to COVID-19 during the eligible period may receive up to $2,000 in hazard pay from the grant recipient.

Eligible hours may include certain hours of leave time described in Section 7, below, that were used by the Eligible Employee because they contracted COVID-19 or were quarantined because of exposure to COVID-19.

Covered Employer grant recipients may deduct any applicable payroll taxes, including the employer’s and employee’s share of payroll taxes, related to the payment to an Eligible Employee of hazard pay funded by the Program.

Any unused grant funds must be returned by December 15, 2020, as further described in Section 14 of this document.

4. Eligible Employees
Covered Employers may request grant funding to provide hazard pay to each employee who meets the following criteria:

- Was employed by the Covered Employer in Vermont during the eligible period;
- Performed a job that had an “elevated risk of exposure to COVID-19,” as defined below, 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;
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- Earned an hourly base wage of $25.00 or less during the eligible period, except in the case of employees of home health agencies, nursing homes, or traveling nursing agencies or contract nursing employers as described in Section 2.n that provide nursing services to or on behalf of a home health agency or nursing home, and resident physicians and dentists employed by a health care facility or physician’s office as described in Section 2.e;
- Worked at least 68 hours for a Covered Employer during the eligible period (including certain hours of leave time described in Section 7, below) that were used by the Eligible Employee because they contracted COVID-19 or were quarantined because of exposure to COVID-19; and
- Is not eligible to receive monetary benefits for the performance of their job under any program authorized or implemented by the federal government

The following individuals are not Eligible Employees:

- Individuals who have received unemployment insurance benefits for more than one week during the eligible period. The maximum hazard pay grant amount for an otherwise Eligible Employee who received unemployment benefits for one week or less during the eligible period shall be $1,200

ARIS Solutions may request grant funding for Independent Direct Support Providers who meet all Eligible Employee criteria above except for “Are employed by the Covered Employer” criteria.

Covered Employers may request grant funding to disburse hazard pay to current Eligible Employees. All potentially Eligible Employees who have terminated employment prior to the date of application submission must be separately identified in the grant application within the Former Employees Summary Report. The State of Vermont will contact each of these former employees directly, as described in Section 8 of this document, if the Covered Employer’s application is approved.

**Reporting of Unemployment Insurance Benefits** *(added October 22, 2020).*

The Covered Employer must report whether – based on information available to the Employer – each currently-employed eligible employee and each former employee listed in the Application received unemployment benefits, including partial benefits, during the eligible period (March 13, 2020 – May 15, 2020). As described below, current and former employees are treated somewhat differently.

Covered Employers should use all the data available to them to make this determination. Covered Employers are not required to certify information that they could not reasonably have available, such as whether an employee received unemployment benefits attributable to separations from other employers or where an employee’s receipt of UI benefits was not reported to the Covered Employer by the Department of Labor.
Currently-Employed Eligible Employees

For eligible employees who are currently employed by the Covered Employer, the applicant must indicate in the Summary Report of Eligible Employees whether each otherwise eligible employee received UI benefits during the eligible period. If so, the applicant must indicate whether the employee received one week or less of unemployment benefits, or more than one week of unemployment benefits. Please note that the maximum amount of hazard pay that can be provided to a currently-employed eligible employee who received UI benefits for up to one week only is $1,200, regardless of number of hours worked.

The monthly reports that the Department of Labor provides employers regarding unemployment insurance do not provide information broken out by week. Covered Employers who lack the data to know how many weeks of unemployment each of their otherwise eligible employees received during the covered period should request this information from each of their current, potentially eligible employees who received unemployment benefits during the eligible period.

If a Covered Employer has not received this information from any current employee before submitting its application, then the Summary Report of Eligible Employees allows the Covered Employer to answer the question regarding unemployment benefits with “Yes - weeks to be verified before payment.” If a Covered Employer selects this option for an employee in the Summary Report of Eligible Employees, then the employer must collect this information from the applicable employee prior to paying any hazard pay to that employee. The employer must return to the State of Vermont all unused funds and all funds awarded for any employee who received more than one week of unemployment benefits during the terms.

Former Employees

For eligible employees who are no longer employed by the Covered Employer on the date of application, the Employer must indicate in the Summary Report of Former Employees whether each otherwise eligible former employee received unemployment benefits during the eligible period. The Covered Employer is not required to report on how many weeks of unemployment benefits former employees received during the eligible period.

If the Covered Employer’s application is approved, the State of Vermont will contact the former employees identified in the Summary Report of Former Employees and send each of them an application and instructions for applying for a direct payment. In their individual application, each former employee must certify whether they received one week or less of unemployment benefits or more than one week of
unemployment benefits during the eligible period. Employees who received more than one week of unemployment benefits during the terms will not be eligible for an award. Please note that the maximum amount of hazard pay that can be provided to a former employee who received UI benefits for up to one week only is $1,200, regardless of number of hours worked.

5. Elevated Risk of Exposure to COVID-19
In order to meet the Eligible Employee criteria above, employees must have performed a job that had an elevated risk of exposure to COVID-19 during the eligible period. For the purposes of this Program, an elevated risk of exposure to COVID-19 means the performance of a job that meets at least one of the following three criteria:

1. 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. 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
   a. Involve 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-CoV02, but who are not known or suspected COVID-19 patients; or

3. 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.

6. Eligible Period
Except where otherwise noted, the eligible period is March 13, 2020 through May 15, 2020. For ARIS Solutions only (applying on behalf of Independent Direct Support Providers), the eligible period is March 15, 2020 through May 16, 2020.
7. **Factors for Determining the Number of Hours Worked**
When determining employee eligibility, eligible 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.

**Eligible Covered Employer applicants should 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;
- any hours of remote or telework performed by the eligible employee, including the provision of healthcare or other services by telephone, videoconference, or telehealth; or
- any hours of work performed as an independent contractor or sole proprietor.

8. **Former Employees**
Each Covered Employer applicant for round two of the Program must identify in their application any former employees who would otherwise be Eligible Employees of the applicant. **Any Covered Employer that submitted an application in round one of the Program must reapply and identify any former employees who are otherwise eligible, but did not receive a payment of hazard pay from the employer in connection with round one.**

Each Covered Employer must submit through the online application portal each former employee’s last known contact information by uploading a Summary Report of Former Employees (using the template available here). All Covered Employers, including Covered Employers that received grant funding in the first round of the Front-Line Employees Hazard Pay Grant Program, must submit this list if they have potentially eligible former employees.

If a Covered Employer’s application (or reapplication) is approved, the State of Vermont will send a notice directly to each potentially eligible former employee indicating how the individual may apply to receive a grant payment. Former employees are not required to apply for a grant, which may be subject to income tax. But if a former employee does not directly apply for a grant before the deadline indicated in the notice sent to them, they will not receive any payment.

9. **Eligible Employee Right to Decline Hazard Pay**
Any Eligible Employee may elect not to receive hazard pay for any reason, including eligibility for public benefits (see Section 15 of this document). Eligible Covered Employer applicants must establish a process to permit Eligible Employees to elect
not to receive hazard pay funded by the grant award and record keeping procedures to track which employees have elected not to receive hazard pay.

10. Available Program Amount
$28,000,000 was allocated for the first round of the Program. An additional $22,500,000 is available for the second round of the Program. The amount of a grant provided to a Covered Employer shall equal the total amount of hazard pay for which its current Eligible Employees qualify.

11. Application Period
The initial application period (for round 1 of the Program) began on August 4, 2020. The second application period (for round 2 of the Program) that includes expanded program criteria is October 28, 2020 at 9 AM EST to November 13, 2020 at 11:59 PM EST or until grant funds are depleted, whichever is earlier.

12. Method of Application Submission
Applications must be submitted through the online portal by 11:59 PM EST on the last day of the application period. The online portal will open for the second round of the Program on October 28, 2020 at 9 AM EST.

13. Distributions
Lump sum grant award payments will be made on a first-come, first-served basis. Payments will be made within two weeks of grant approval.

14. Reporting Requirements
All eligible Covered Employer applicants must fully complete and submit the application through the online portal by the submission date. A complete application includes:

- Responses to all required fields, including but not limited to certifications;
- Data from the applicant organization’s Form W-9 (if the person completing the application on behalf of the Covered Employee is not authorized to certify a Form W-9, they must upload a PDF of a Form W-9 signed by an authorized person);
- A Summary Report of Eligible Employees (using the template excel spreadsheet for Current Eligible Employees available here); and
- If applicable, a Summary Report of Former Eligible Employees (using the template excel spreadsheet for Former Employees available here).

The State of Vermont may request that a Covered Employer applicant submit detailed backup, including but not limited to payroll reports to support the hazard payments requested to be paid. Detailed backup should only be submitted upon request from the State of Vermont.
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All Covered Employers that receive grant funds through this Program must report to the State of Vermont the amount of grant funds used to provide hazard pay to Eligible Employees and the amount of any remaining grant funds that were not spent using the Grant Funds Spending Report. The Grant Funds Spending Report must be submitted to the State of Vermont through the online portal no later than 90 days after receiving the grant or December 15, 2020, whichever is earlier. All unspent grant funds must be returned by December 15, 2020 to:

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

The Covered Employer’s unique Grant # must be included on the check memo line.

The Program is funded with federal dollars and is subject to the requirements of single audit found at 2 CFR § 200 Subpart F. A grant recipient will be considered a subrecipient for purposes of 2 CFR § 200 Subpart F. The subrecipient will complete the subrecipient annual report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the subrecipient will submit a copy of the audit report to the granting party within nine months. If a single audit is not required, only the subrecipient annual report is required. For fiscal years ending before December 25, 2015, a single audit is required if the subrecipient expends $500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A133. For fiscal years ending on or after December 25, 2015, a single audit is required if the subrecipient expends $750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The subrecipient annual report is required to be submitted within 45 days, whether or not a single audit is required.

Common Subrecipient Annual Report Questions are located here.

15. Potential Hazard Pay Impact on Public Benefits for Eligible Employees

Federal law determines how additional hazard pay payments are treated in determining program eligibility for many public benefit programs, including Vermont Medicaid.

Per federal law, hazard pay normally is considered income that can impact Medicaid eligibility. For persons who get Medicaid on the basis of being aged, blind or disabled, the payment normally also counts as a resource in the month after receipt. However, during the federally-declared public health emergency, most Medicaid members will not lose coverage unless they choose to disenroll. Because of this continuous coverage requirement, it is unlikely that the receipt of hazard pay during the public health emergency will result in loss of Medicaid. The current federally-declared public health emergency has been extended until January 21, 2021. To find
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out if the federally-declared public health emergency is in effect, see https://www.phe.gov/emergency/news/healthactions/phe/Pages/covid19-2Oct2020.aspx (The public health emergency lasts 90 days from its effective date unless it is ended sooner).

Many programs administered by the Department of Disabilities, Aging and Independent Living, Department of Mental Health, and Vermont Department of Health Division of Alcohol & Drug Abuse require participants to maintain Medicaid eligibility. Hazard pay will also be counted as income for the purposes of financial assistance for qualified health plans.

For the following public benefits administered by the Department for Children and Families, State law governs income and resource eligibility and hazard pay provided through this Program may be excluded:

- General Assistance;
- Fuel Assistance;
- Essential Person;
- Reach Up (and Reach Up related programs – Reach First, Reach Ahead, and the Postsecondary Education Program); and
- Child Care Financial Assistance Program.

For 3SquaresVT, federal regulations would allow a one-time lump sum payment to be excluded as income, but it would count as a resource in the month received for households subject to the resource test.

A Frequently Asked Questions about Public Benefits and Hazard Pay for Employees document is located here.

16. Contact Information
Please submit questions or inquiries through the online submission form located here.