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Jill on Money

Coronavirus relief act raises questions

It seems that the $2.2 trillion Coronavirus Aid, Relief and Economic Security Act has created a lot of confusion. Many of you have written to me with questions. I am answering these and many more on my Jill on Money daily podcast. You also can send questions to askjill@jillonmoney.com.

Q: When will I get my check?

A: Treasury has said that direct deposits will hit accounts within three weeks of the bill's signing, which was March 27, but it looks like that could be ambitious. If you do not have direct deposit information on file with the IRS or the Social Security Administration, the wait could be up to four months.

Q: Are the direct payments taxable?

A: No.

Q: Does everyone with a child get $500?

A: No, you still have to fall within the income limits of up to $99,000 for individuals and $198,000 for married couples. Also, the child must be under 17.

Q: Do I have to take my required minimum distribution for 2020 while the market is down?

A: For calendar year 2020, no taxpayer will have to take an RMD from IRAs or any employer plans — 401(k), 403(b), 457, TSP.

Q: Should I tap my 401(k) if I need cash?

A: I generally advise that people avoid touching those hard-earned and saved dollars, but the CARES Act waives the 10% penalty on early retirement plan withdrawals, as long as you can prove that you need the money because of the pandemic. You will still owe taxes on the withdrawal amount, but you can spread the tax bill over three years from the distribution date.

Q: Should I keep paying my student loans?

A: The new law will automatically suspend payments on federal student loans until Sept. 30, with no penalty or interest accruing. That said, if you are still working, making those payments means that you are getting a jump on principal paydown, which could shorten the term of your loan. Note: Perkins, state and private loans are not included.

Q: What's the difference between being laid off and being furloughed?

A: The term layoff is usually the complete termination of an employment relationship due to economic considerations or restructurings, as opposed to be being fired for cause or due to poor performance. A furlough is a suspension of active employment, but usually with the idea that the employee will return to active employment. The recent furloughs by retail giants like Macy's and Gap mean that workers would remain on the company's health insurance plan for defined period of time but would not be paid. Whether you are laid off or furloughed, you can claim unemployment insurance benefits.

Q: I filed for unemployment before the pandemic; am I entitled to any of the CARES Act benefits?

A: You don't need to be directly affected by the virus to be entitled to the expanded unemployment benefits outlined in the Act. Your current state benefits will still be extended by 13 weeks and you will also get the extra $600 federal weekly benefit.

A: Q: Which bills should I pay first?

Food is number one and after that, it's time to prioritize. The Consumer Financial Protection Bureau has a good worksheet available at consumerfinance.gov. Some renters were given leeway in the legislation through the four-month nationwide eviction moratorium. But the rule only applies to those landlords who have mortgages backed or owned by Fannie Mae, Freddie Mac and other federal entities.

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DREAMSTIME

The boss is WATCHING

Companies snap up surveillance software to keep tabs on remote workers

By Polly Mosendz and Anders Melin | Bloomberg

The email came from the boss.

We're watching you, it told Axos Financial Inc. employees working from home. We're capturing your keystrokes. We're logging the websites you visit. Every 10 minutes or so, we're taking a screen shot.

"We have seen individuals taking unfair advantage of flexible work arrangements" by essentially taking vacations, Gregory Garrabrants, the online bank's chief executive officer, wrote in the March 16 message reviewed by Bloomberg News. If daily tasks aren't completed, workers "will be subject to disciplinary action, up to and including termination."

Straight-up Big Brother, perhaps, but it's perfectly legal for businesses to keep an unblinking eye on employees as long as they disclose they're doing it. Of course, digital surveillance has been used for years on office desktops, yet it seems a violation of privacy to a lot of workers when they're required to have software on their computers that tracks their every move in their own homes.

Workers at various companies have complained of excesses, but many of them are new to telecommuting, with its temptations of a midday nap or the demands of children who now are at home all day.

Employers justify going full Orwell by saying that monitoring curbs security breaches.

With so many people working remotely because of the coronavirus, surveillance software is flying off the virtual shelves.

"Companies have been scrambling," said Brad Miller, CEO of surveillance-software maker InterGuard. "They're trying to allow their employees to work from home but trying to maintain a level of security and productivity."

Axos spokesman Gregory Frost said in a statement that "the enhanced monitoring of at-home employees we implemented will ensure that those members of our workforce who work from home will continue" to meet quality and productivity standards that are expected from all workers.

Frost declined to comment on whether Garrabrants, one of America's top paid bank CEOs in 2018, is subject to the same monitoring when he works from home.

"My personal advice is to use it as an advantage, as a way to prove to your manager that you're capable of working autonomously," Frost said.

Along with InterGuard, software makers include Time Doctor, Teramind, VeriClock, innerActiv, ActivTrak and Hubstaff. All provide a combination of screen monitoring and productivity metrics, such as number of emails sent, to reassure managers that their charges are doing their jobs.

ActivTrak's inbound requests have tripled in recent weeks, according to CEO Rita Selvaggi. Teramind has seen a similar increase, said Eli Sutton, vice president of global operations. Jim Mazotas, innerActive's founder, said phones have been ringing off the hook.

Managers using InterGuard's software can be notified if an employee does a combination of worrisome behaviors, such as printing both a confidential client list and a resume, an indication that someone is quitting and taking their book of business with them.

"It's not because of lack of trust," Miller said, who compared the software to banks using security cameras. "It's because it's imprudent not to do it."

The software can also be a way for employers to grant more flexibility to workers to fit their jobs around other parts of their lives. It may also let managers spot areas that are overstaffed or where they may need additional hands.

"I can honestly say, as a Hubstaff user, that I actually like the monitoring and productivity features. I promise," said Courtney Cavey, the firm's chief marketing officer. "So my personal advice is to use it as an advantage, as a way to prove to your manager that you're capable of working autonomously."

Hubstaff allows users to view their activity range and aim to beat it, Cavey said. Most monitoring can be customized, so not all employees are tracked in the same way.

Employers go too far if their monitoring software remains active outside work hours, said Stacy Hawkins, a professor at Rutgers Law School.

Workers have been airing their grievances on forums such as CodeAhoy, presumably using devices not being watched by their bosses.

"I've heard from multiple people whose employers have asked them to stay logged into a video call all day while they work," said Alison Green, founder of the workplace-advice website Ask a Manager. "In some cases, they're told it's so they can all talk throughout the day if questions come up, but in others, there's no pretense that it's for anything other than monitoring people to ensure they're working."

Other managers take a more low-tech approach, insisting on constant status updates, Green said.

"How these managers are going to get anything done themselves in the midst of all these updates is another question," she said.

Employers worried about their workers' every move might have a bigger issue to deal with, said Sutton of Teramind.

"If you hired them, you should trust them. If you don't, they have no reason to be part of the organization."