

Federal Law Alerts - July 2020

SCOTUS Opinions, Religion, and the Workplace

On July 8, 2020, the Supreme Court of the United States (SCOTUS) decided the following cases addressing religion and employment:

- In [*Our Lady of Guadalupe School vs. Morrissey-Berru*](#), the court held that the ministerial exception under the religion clauses of the First Amendment forecloses the adjudication of employment-discrimination claims of Catholic school teachers in these cases. In its opinion, the court applied a modified ministerial exception where two teachers at Catholic elementary schools sued for workplace discrimination under the Americans with Disabilities Act (ADA) and the Age Discrimination in Employment Act (ADEA). Based on the First Amendment, clergy members cannot bring claims under the federal employment discrimination laws, including the ADA, the ADEA, the Equal Pay Act, and Title VII. The [ministerial exception](#) applies only to those employees who perform essentially religious functions. In the opinion, the court shifted from the *Hosanna-Tabor* four-factor analysis because “it was a rigid formula,” to “whether each particular position implicated the fundamental purpose of the [ministerial] exception.” The opinion concluded with, “[w]hen a school with a religious mission entrusts a teacher with the responsibility of educating and forming students in the faith, judicial intervention into disputes between the school and the teacher threatens the school’s independence in a way that the First Amendment does not allow.” Thus, the Catholic elementary school teachers are “ministers, the exception applies, they cannot sue for employment discrimination.
- In [*Little Sisters of the Poor Saints Peter and Paul Home vs. Pennsylvania et. al.*](#), SCOTUS held that the U.S. Departments of Health and Human Services, Labor, and the Treasury had authority under to create lawful exemptions under the Affordable Care Act (ACA) for employers with religious or moral objections from providing contraceptive coverage to their employees under their group health plans.

FFCRA and Reporting Qualified Sick Leave Wages and Qualified Family Leave Wages Paid

On July 8, 2020, the Treasury Department and the Internal Revenue Service released [Notice 2020-54](#) guiding employers in their required reporting of the amount of qualified sick leave wages and qualified family leave wages they paid to their employees under the Families First Coronavirus Response Act (FFCRA). Employers will be required to report these amounts either on Form W-2, Box 14, or on a separate statement.

This required reporting provides employees who are also self-employed with information necessary for properly claiming qualified sick leave equivalent or qualified family leave equivalent credits under the FFCRA.

Read [more](#) about the Credit for Sick and Family Leave and the Employee Retention Credit, which are two new employer tax credits for businesses severely impacted by COVID-19.