

## Taking Care of Employees During COVID-19: Consider This Handy Employee Benefit Tool

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The coronavirus (COVID-19) pandemic, and our government's responses to the pandemic (such as shelter-in-place orders and other mobility restrictions), have dramatically changed the nature of our work environments. Companies are doing their best to mitigate the economic impact of the pandemic, while also evaluating possible options to support and engage their workforces during these difficult times. As employees across the country adjust to the new working norm, many have incurred or will incur additional expenses in the process, such as costs associated with remote working, transportation and childcare.

As companies move forward with their pandemic-response strategies, some may consider ways to help employees cope with the additional expenses stemming from the COVID-19 pandemic. For these companies, Section 139 of the Internal Revenue Code may prove to be a useful tool, as it offers a tax-efficient way for companies to provide financial assistance to employees affected by a disaster.

This memo summarizes the rules underlying Section 139 and addresses certain questions that companies may have as they make (or consider making) payments to employees under Section 139.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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