



Families First Coronavirus Response Act

PAID SICK LEAVE & PAYROLL TAX CREDITS

ACT SIGNED MARCH 18, 2020

Effective April 1, 2020

Through December 31, 2020

BUSINESSES ARE REQUIRED TO

Provide paid sick leave, available for immediate use, and to honor expanded paid family leave to employees who require such time for qualifying reasons associated with COVID-19

PAYROLL TAX CREDITS

There are 2 payroll tax credits available to employers to assist with offsetting the cost of providing required sick and family leave

Emergency Paid Sick Leave Credit

Emergency Family and Medical Leave Expansion Credit

WHO IS SUBJECT?

Employers with less than 500 employees are subject to the new law

Employers with less than 50 employees may be exempt if leave would jeopardize their business

Employers with less than 25 employees may be exempt from certain provisions related to job protection

HOW THE CREDITS WORK

EMERGENCY PAID SICK LEAVE CREDIT

EMERGENCY FAMILY AND MEDICAL EXPANSION CREDIT

Qualifying Reasons

1. COVID-19 quarantine/isolation ordered by government
2. COVID-19 self quarantine advised by health provider
3. Employee experiencing symptoms of COVID-19 and is seeking medical diagnosis
4. Employee is caring for an individual in quarantine/self-isolation
5. Employee is caring for son or daughter because school or place of care is closed due to COVID-19
6. Employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services

Employee is unable to work or telework in order to care for a son or daughter under age 18 because school or place of care has been closed or is unavailable due to COVID-19

Employee Pay

- Maximum \$511/day for sick leave as described by point (1), (2), or (3) above
- Maximum \$200/day for sick leave as described by point (4), (5), or (6) above
- Employee must have worked at least 30 days to qualify
- Kicks in after 10 days
 - Employees can use available PTO to cover first 10 days
- Employee paid = 2/3 of normal wage
 - max \$200/day for sick leave
- Maximum \$10,000 in the aggregate per employee
- Up to 12 weeks in the benefit year

EMPLOYER CREDIT

Both credits will cover 100% of employee wages paid

Credits may be increased to cover certain employer health plan expenses

Credit will be reduced by other credits applied against payroll taxes (like R&D credit)

Credits will be first applied against employer payroll taxes: Social Security (6.2%) & Medicare (1.45%)

Credits in excess of payroll taxes treated as a refundable over-payment

Credit will be included in gross income

CLAIM PAYROLL TAX CREDIT

File Form 941 Quarterly Employment Tax Returns

Keep detailed records of employee sick pay as it relates to COVID-19

Contact your payroll provider to learn more