

FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA)

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES)

QUALIFIED SICK PAY

PAID FMLA

EMPLOYEE RETENTION CREDIT

DELAYED PAYMENT OF EMPLOYER PAYROLL TAXES

WHAT IS THE CREDIT/ BENEFIT?

REFUNDABLE PAYROLL TAX CREDIT FOR ELIGIBLE EMPLOYERS EQUAL TO 100% OF REQUIRED QUALIFIED SICK LEAVE WAGES (INCLUDING ALLOCABLE QUALIFIED HEALTH PLAN EXPENSES) PAID TO EMPLOYEES.

REFUNDABLE PAYROLL TAX CREDIT FOR ELIGIBLE EMPLOYERS EQUAL TO 100% OF EXPANDED FMLA WAGES (INCLUDING ALLOCABLE QUALIFIED HEALTH PLAN EXPENSES) PAID TO EMPLOYEES.

REFUNDABLE PAYROLL TAX CREDIT FOR ELIGIBLE EMPLOYERS EQUAL TO 50% OF QUALIFIED WAGES (INCLUDING ALLOCABLE QUALIFIED HEALTH PLAN EXPENSES) PAID TO EMPLOYEES.

DELAYED DEPOSIT OF THE EMPLOYER PORTION OF SOCIAL SECURITY TAX THAT WOULD NORMALLY BE PAID TO THE GOVERNMENT FOR THE PERIOD FROM MARCH 27, 2020 TO DEC. 31, 2020.

WHO DOES IT APPLY TO?

BUSINESS AND TAX-EXEMPT ORGANIZATIONS:

1. WITH LESS THAN 500 EMPLOYEES; AND
2. ARE REQUIRED TO PAY QUALIFIED SICK LEAVE WAGES UNDER THE ACT

BUSINESSES AND TAX-EXEMPT ORGANIZATIONS:

1. WITH LESS THAN 500 EMPLOYEES, AND
2. ARE REQUIRED TO PAY QUALIFIED FAMILY AND MEDICAL LEAVE WAGES UNDER THE ACT

BUSINESSES AND TAX-EXEMPT ORGANIZATIONS THAT CARRY ON A TRADE OR BUSINESS DURING CALENDAR YEAR 2020, THAT EITHER:

1. FULLY OR PARTIALLY SUSPENDS OPERATION DURING 2020 DUE TO ORDERS FROM AN APPROPRIATE GOVERNMENTAL AUTHORITY FOR COVID-19; OR
2. EXPERIENCES A SIGNIFICANT DECLINE IN GROSS RECEIPTS DURING THE CALENDAR QUARTER (LESS THAN 50% OF THE SAME 2019 CALENDAR QUARTER).

ALL EMPLOYERS (REGARDLESS OF SIZE) AND SELF-EMPLOYED INDIVIDUALS

HOW ARE THE NUMBER OF EMPLOYEES DETERMINED?

AT THE TIME YOUR EMPLOYEE'S LEAVE IS TO BE TAKEN, EMPLOYEES WITHIN THE UNITED STATES INCLUDE:

- FULL-TIME AND PART-TIME
- EMPLOYEES ON LEAVE
- JOINTLY EMPLOYED TEMPORARY EMPLOYEES
- DAY LABORERS

*INDEPENDENT CONTRACTORS UNDER THE FAIR LABOR STANDARDS ACT (FLSA), ARE NOT CONSIDERED EMPLOYEES FOR PURPOSES OF THE THRESHOLD.

*JOINT EMPLOYERS UNDER THE FLSA MUST COUNT ALL COMMON EMPLOYEES.

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*INTEGRATED EMPLOYERS UNDER FMLA MUST COUNT ALL EMPLOYEES.

"FULL-TIME EMPLOYEE" MEANS, WITH RESPECT TO ANY MONTH, AN EMPLOYEE WHO IS EMPLOYED ON AVERAGE AT LEAST 30 HOURS OF SERVICE PER WEEK.

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WHAT WAGES QUALIFY?

QUALIFIED SICK LEAVE WAGES ARE WAGES THAT MUST BE PAID TO EMPLOYEES UNDER THE ACT FOR WHICH THEY ARE UNABLE TO WORK OR TELEWORK BECAUSE THE EMPLOYEE:

1. IS SUBJECT TO A FEDERAL, STATE, OR LOCAL QUARANTINE ORDER
2. HAS BEEN ADVISED BY A HEALTH CARE PROVIDER TO SELF-QUARANTINE
3. HAS SYMPTOMS OF COVID-19 AND SEEKING A MEDICAL DIAGNOSIS
4. IS CARING FOR AN INDIVIDUAL WHO IS SUBJECT ORDER, OR HAS BEEN ADVISED BY A HEALTH CARE PROVIDER TO SELF-QUARANTINE
5. IS CARING FOR A CHILD WHOSE SCHOOL OR CHILDCARE IS CLOSED
6. HAS SUBSTANTIALLY SIMILAR CONDITION SPECIFIED BY THE SECRETARY OF HEALTH AND HUMAN SERVICES

QUALIFIED FAMILY LEAVE WAGES ARE WAGES THAT MUST BE PAID TO EMPLOYEES UNDER THE ACT FOR WHICH THEY ARE UNABLE TO WORK OR TELEWORK BECAUSE THE EMPLOYEE IS CARING FOR A CHILD WHOSE SCHOOL OR PLACE OF CARE IS CLOSED OR CHILD CARE PROVIDER IS UNAVAILABLE.

THE FIRST TEN DAYS FOR WHICH AN EMPLOYEE TAKES LEAVE FOR THIS REASON MAY BE UNPAID. HOWEVER, DURING THAT 10-DAY PERIOD, AN EMPLOYEE MAY BE ENTITLED TO RECEIVE QUALIFIED SICK LEAVE WAGES OR MAY RECEIVE OTHER FORMS OF PAID LEAVE, SUCH AS ACCRUED SICK LEAVE, ANNUAL LEAVE, OR OTHER PAID TIME OFF UNDER THE ELIGIBLE EMPLOYER'S POLICY.

THE DEFINITION OF QUALIFIED WAGES DEPENDS ON THE AVERAGE NUMBER OF FULL-TIME EMPLOYEES EMPLOYED BY THE ELIGIBLE EMPLOYER DURING 2019.

1. MORE THAN 100, QUALIFIED WAGES ARE THE WAGES PAID TO AN EMPLOYEE DURING THE PERIOD FOR TIME THAT THE EMPLOYEE IS NOT PROVIDING SERVICES. WAGES MAY NOT EXCEED WHAT THE EMPLOYEE WOULD HAVE BEEN PAID FOR WORKING AN EQUIVALENT DURATION DURING THE 30 DAYS IMMEDIATELY PRECEDING THE PERIOD OF ECONOMIC HARDSHIP
2. 100 OR FEWER, QUALIFIED WAGES FOR AN EMPLOYEE ARE THE WAGES PAID TO **ANY EMPLOYEE** DURING ANY PERIOD OF ECONOMIC HARDSHIP

EMPLOYER SHARE OF WAGES SUBJECT TO SOCIAL SECURITY TAX - 6.2% OF EACH EMPLOYEE WAGES (UP TO \$137,700 FOR 2020)

WHEN CAN I START TO RECEIVE THE BENEFIT?

QUALIFIED SICK LEAVE WAGES PAID BEGINNING ON APRIL 1, 2020 AND ENDING ON DECEMBER 31, 2020.

QUALIFIED FAMILY LEAVE WAGES PAID BEGINNING ON APRIL 1, 2020 AND ENDING ON DECEMBER 31, 2020.

QUALIFIED WAGES PAID AFTER MARCH 12, 2020, AND BEFORE JANUARY 1, 2021.

FOR THE PERIOD FROM MARCH 27 TO DEC. 31, 2020

HOW MUCH IS THE CREDIT?

100 PERCENT OF UP TO 80 HOURS OF QUALIFIED SICK LEAVE WAGES (AND THE EMPLOYER'S SHARE OF MEDICARE TAX) IT PAYS, DEPENDING ON THE REASON FOR LEAVE, CAPPED AT EITHER:

- \$200 PER DAY OR \$2,000 TOTAL

AND

- \$511 PER DAY OR \$5,110 TOTAL PER EMPLOYEE,

100 PERCENT OF UP TO 10 WEEKS OF QUALIFIED FAMILY LEAVE WAGES (AND THE EMPLOYER'S SHARE OF MEDICARE TAX) IT PAYS CAPPED AT \$200 PER DAY AND \$10,000 TOTAL PER EMPLOYEE.

50 PERCENT OF QUALIFIED WAGES PAID TO AN EMPLOYEE FOR A MAXIMUM CREDIT OF \$5,000 TOTAL PER EMPLOYEE. THE MAXIMUM AMOUNT OF QUALIFIED WAGES TAKEN INTO ACCOUNT WITH RESPECT TO EACH EMPLOYEE IS \$10,000.

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HOW CAN I OBTAIN THE CREDIT?

EMPLOYERS WILL CLAIM THE CREDITS ON THEIR FEDERAL EMPLOYMENT TAX RETURNS (E.G., FORM 941, EMPLOYER'S QUARTERLY FEDERAL TAX RETURN), BUT THEY CAN BENEFIT MORE QUICKLY BY REDUCING THEIR FEDERAL EMPLOYMENT TAX DEPOSITS.

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EMPLOYERS WILL REPORT TOTAL QUALIFIED WAGES AND THE RELATED CREDITS ON THEIR FEDERAL EMPLOYMENT TAX RETURNS, (E.G., FORM 941, EMPLOYER'S QUARTERLY FEDERAL TAX RETURN), BUT THEY CAN BENEFIT MORE QUICKLY BY REDUCING THEIR FEDERAL EMPLOYMENT TAX DEPOSITS.

FEDERAL EMPLOYMENT TAX RETURNS, (E.G., FORM 941, EMPLOYER'S QUARTERLY FEDERAL TAX RETURN), WILL BE REVISED FOR THE SECOND CALENDAR QUARTER OF 2020. THE IRS WILL ISSUE REGULATIONS AND GUIDANCE TO INSTRUCT EMPLOYERS HOW TO REFLECT DEFERRED DEPOSITS.

ARE THERE ANY LIMITATIONS?

1. PAID LEAVE PRIOR TO APRIL 1, 2020 IS NOT ELIGIBLE FOR CREDIT.
2. ANY BUSINESS THAT CLAIMS THE SMALL BUSINESS EXEMPTION (FEWER THAN 50 EMPLOYEES) IS NOT ENTITLED TO TAX CREDITS.

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- AN EMPLOYER MAY NOT RECEIVE THE EMPLOYEE RETENTION CREDIT IF THE ELIGIBLE EMPLOYER RECEIVES A SMALL BUSINESS INTERRUPTION LOAN UNDER THE PAYCHECK PROTECTION PROGRAM.
- QUALIFIED WAGES DO NOT INCLUDE THE AMOUNT OF QUALIFIED SICK AND FAMILY LEAVE WAGES FOR WHICH THE EMPLOYER RECEIVED TAX CREDITS UNDER THE FFCRA.

- EMPLOYER IS REQUIRED TO DEPOSIT:
- 50 PERCENT OF THE DELAYED AMOUNT BY DEC. 31, 2021, AND
 - 50 PERCENT OF THE DELAYED AMOUNT BY DEC. 31, 2022

SELF-EMPLOYED ELIGIBILITY

SELF-EMPLOYED INDIVIDUALS ARE ALLOWED AN INCOME TAX CREDIT TO OFFSET THEIR FEDERAL SELF-EMPLOYMENT TAX EQUAL TO THEIR "QUALIFIED SICK LEAVE EQUIVALENT AMOUNT." SEE [FAQ #60 - #66](#)

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SELF-EMPLOYED INDIVIDUALS ARE **NOT** ELIGIBLE FOR THIS CREDIT FOR THEIR SELF-EMPLOYMENT SERVICES OR EARNINGS.

SELF-EMPLOYED INDIVIDUALS CAN DEFER PAYING HALF (6.2%) OF THE TOTAL SOCIAL SECURITY TAX (12.4%)

OTHER EXCEPTIONS?

ELIGIBLE EMPLOYERS WITHOUT SUFFICIENT FEDERAL EMPLOYMENT TAXES SET ASIDE FOR DEPOSIT TO THE IRS TO FUND THEIR QUALIFIED WAGES CAN FILE A [FORM 7200, ADVANCE PAYMENT OF EMPLOYER CREDITS DUE TO COVID-19](#), TO CLAIM AN ADVANCE REFUND FOR THE FULL AMOUNT OF THE ANTICIPATED CREDIT.

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AN EMPLOYER IS INELIGIBLE IF IT ACQUIRES A LOAN THROUGH THE PAYCHECK PROTECTION PROGRAM (PPP) AND FOR WHICH ALL OR PART OF THE LOAN WAS FORGIVEN. EMPLOYERS WHO HAVE RECEIVED A PPP LOAN, BUT WHOSE LOAN HAS NOT YET BEEN FORGIVEN, MAY DEFER DEPOSITS FOR THE PERIOD BEGINNING ON MARCH 27, 2020, THROUGH THE DATE THE LENDER ISSUES A DECISION TO FORGIVE THE LOAN.

IRS FAQ LINKS

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