

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide employees with expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor's (Department) Wage and Hour Division (WHD) administers and enforces the new law's paid leave requirements. These provisions will apply from the effective date through December 31, 2020.

Generally, the Act provides that employees of covered employers are eligible for:

- **Family and medical leave.** Emergency Family and Medical Leave Expansion Act, which requires employers with fewer than 500 employees to provide both paid and unpaid public health emergency leave to certain employees through December 31, 2020. The emergency leave generally is available when an employee who has been employed for at least 30 days is unable to work or telework due to a need for leave to care for a son or daughter under age 18 because a school or place of care has been closed, or a childcare provider is unavailable, due to an emergency with respect to COVID-19 that is declared by a federal, state, or local authority. The first 10 days of leave may be unpaid and then paid leave is required, calculated based on an amount not less than two-thirds of an employee's regular rate of pay and the number of hours the employee would otherwise be normally scheduled to work, not to exceed \$200 per day and \$10,000 in the aggregate.
- **Emergency paid sick time.** Private employers with fewer than 500 employees, and public employers of any size, must provide 80 hours of paid sick time to full-time employees who are unable to work (or telework) for specified virus-related reasons. Part-time employees are entitled to sick time based on their average hours worked over a 2-week period. This amount is immediately available regardless of the employee's length of employment. The maximum amounts payable vary based on the reason for absence.
  - Employees who are
    - (1) subject to a quarantine or isolation order,
    - (2) advised by a health provider to self-quarantine, or
    - (3) experiencing symptoms and seeking diagnosis, must be compensated at their regular rate, up to a maximum of \$511 per day (\$5,110 total).
    - Employees caring for an individual described in category (1), (2), or (3), caring for a son or daughter whose school is closed or child care provider is unavailable, or experiencing a "substantially similar condition" specified by the government must receive two-thirds of their regular rate, up to a maximum of \$200 per day (\$2,000 total). The sick leave mandate takes effect not later than 15 days after March 18, 2020 (the date of the Act's enactment) and expires December 31, 2020.

Any wage or compensation required to be paid to employees for the above reasons are not considered wages of the employer for purposes of FICA tax. No federal employment taxes will be collected on such amounts from employers or employees.

An employer will be allowed a credit against their payroll taxes on the wages paid with respect to all the employer's employees that qualify under the above provisions. If the credit is in excess of the payroll tax, then the excess will be treated as a refundable over-payment. Any credit claimed shall be included in gross income. If an employer is required to make payments to employees under the above provisions it is recommended to use a separate and distinct payroll category for each provision.