

# CARES ACT:

## Other Tax Deferment and Credit Programs

Overview of additional small business stimulus associated with the coronavirus pandemic



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## Family's First Coronavirus Response Act (FFCRA) tax credit

Includes paid sick leave and family leave. You can use this even if you are applying for debt forgiveness, but any FFCRA tax credit will reduce the amount of loan you can take, and the amount of forgiveness received. This credit is effective from April 1, 2020 through December 31, 2020. Current guidance states tax credits are not available for leave provided prior to Apr. 1

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**100%**

### Employers receive 100% reimbursement for paid leave pursuant to the Act:

- Immediate dollar-for-dollar tax offset against federal payroll taxes
- Health insurance costs included in the credit
- Further guidance to be released



### Emergency Paid Sick Leave

Up to 80 Hours (or average number of hours worked for part-time)

- Employee Illness – paid at regular pay (max \$511 per day = \$5,110 total)
- Family quarantine/school closure – paid at 2/3 (max \$200 per day = \$2,000 total)
- All W2 employees eligible



### Emergency Paid Family Leave:

- Up to 12 Weeks paid at 2/3, 1st 2 weeks unpaid (but covered under Paid Sick Leave)
- ONLY for reason of caring for child whose school/day care is closed
- All W2 employees eligible after 30 days of employment
- Exemption for employers < 50 employees MAY be available, pending guidance

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## When to pay 100% versus 2/3 of pay

**100%**

1. Employee subject to a quarantine or isolation order related to COVID-19
2. Employee advised by a health care provider to self-quarantine because of COVID-19
3. Employee experiencing symptoms of COVID-19 and is seeking a medical diagnosis

**2/3**

1. The employee is caring for an individual subject or advised to quarantine or isolation
2. The employee is caring for a son or daughter whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 precaution (like FMLA+)
3. The employee is experiencing substantially similar conditions as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury

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## Tax Deferral of Social Security Taxes

Allows you to defer 50% your Social Security tax obligation from Mar 27, 2020 through the rest of the year.

1. 50% paid as normal
2. 25% of the tax obligation is deferred until 12/31/21
3. 25% of the tax obligation is deferred until 12/31/22

It is unavailable if you are participating in the loan forgiveness program.

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## Employee Retention tax credit

Can be applied to employment taxes, and refunded if in excess of employment taxes, for employers significantly affected by COVID-19. This credit is unavailable if you are going to get loan forgiveness.

### Qualified wages include:

- Up to 50% of total wages (maximum of \$10k in wages) per employee per quarter
- Qualified employer health plan expenses

### Qualified employer size:

- Less than or equal to 100 FTE, all employee wages qualify for the credit
- Greater than 100 FTE, qualified wages are wages paid to employees when they are not providing services due to coronavirus.

### This credit is available to employers whose:

- Operations were fully/partially suspended due to a coronavirus-related shut down, OR
- Gross receipts declined by more than 50% when compared to the same quarter 2019
- Tax Exempt organizations regardless of employee count

Please note, employers that use this credit are eligible until gross receipts are greater than 80% when compared to the same calendar quarter previous year.

Need more guidance? Please see our additional SBA Paycheck Protection Loan and Forgiveness Program resources [here](#).

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