Families First Coronavirus Response Act
COVID-19 Resources & Employer Response

Presented March 27, 2020

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Families First Coronavirus Response Act

- How Does The Sick Pay and FMLA Work?
- How Do Tax Credits Offset Sick Pay Payments?
- How TAG Will Automate the Process?
Families First Coronavirus Response Act

How do the federal paid leave plans and tax credits work?

- **Effective April 1, 2020-December 31, 2020**

- **Emergency Paid Sick Leave**
  - Up to 80 Hours (or average number 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
When you need to pay 100% vs. 2/3

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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How do the federal paid leave plans and tax credits work?

• 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 by next week
• DOL guidance states tax credits not available for leave provided prior to Apr. 1
How TAG will Calculate Sick Pay Tax Reductions

• Use Codes Sick-C19Self & Sick-C19Family
  • Available in Payroll and/or PTO Request screen (as of 3/30)

• TAG calculates pay rate (100% vs 2/3rds of reg rate), daily limit & 10 vs 60-day cap

• Any Sick paid in ANYTIME in 2020 will be applied against **QTD** Q2-Q4 941 liability

• Employer paid health auto-allocated each payroll based on hours worked

• You will receive full credit on each payroll invoice up to **Rolling QTD** 941 liability

• Any excess sick pay (in excess of 941 liability) will be marked to receive refund by IRS

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Thank you.
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