



Extension of FFCRA Tax Credit Into 2021

The Families First Coronavirus Response Act (FFCRA) requires employers with less than 500 employees to provide employees with 80 hours of paid sick leave for specified reasons related to COVID-19. In addition, employers are required to provide up to 10 weeks of paid, job-protected leave for employees who have worked for their employer for at least 30 days and who are unable to work due to the need to care for a son or daughter whose school is closed or the unavailability of a childcare provider due to COVID-19. The legislation was due to sunset on December 31, 2020.

Extension

President Trump signed a relief bill into law on December 27, 2020. While the full FFCRA law was not extended into 2021, employers can now elect to continue allowing employees to take unused FFCRA paid sick and family leave and receive the federal tax credit for through March 31, 2021.

Employer Action Items

1. Decide whether to offer continued paid sick leave and paid family leave until March 31, 2021.
2. Communicate corporate decision and any process requirements to employees.
3. Confirm any state or local laws that impact decision.

Optional, Not Mandatory

Employers are not required to provide paid leave after December 31, 2020 (as was the case under the FFCRA through December 31, 2020). However, as of January 1, 2021, employers may voluntarily offer such leaves and may continue to take the same payroll tax credit as was previously afforded under the FFCRA.

The relief package does not change the qualifying reasons for which employees may take leave, the caps on the amount of pay employees are entitled to receive, or the FFCRA’s documentation requirements.

Same Pool of 80 Hours

The law also does not change the amount of leave that employees are entitled to take under the FFCRA. Under the FFCRA, full time employees are entitled to a one-time allotment of 80 hours of paid sick leave and 12 weeks of expanded family medical leave. Therefore, an employer is generally not entitled to a second tax credit for an employee taking leave in 2021, if that employee exhausted FFCRA leave in 2020.

iSolved

At present, once we crossover into 2021, the system does not have a way to limit the number of FFCRA hours and dollars allocated to an employee. You will need to track the hours manually so to not exceed the FFCRA max caps.

FFCRA Earning	Max Hours	Max Dollars
ESICK 100%	80*	\$511/day - \$5110 in the aggregate
ESICK 2/3	80*	\$200/day - \$2,000 in the aggregate
EFMLA	12 weeks - 1 st 2 weeks ESICK 2/3	\$200/day - \$12,000 in the aggregate

*80 hours total for ESICK regardless of Earning type

Reporting

Navigate to Reporting > Client Reports. Use the Reporting Category dropdown and select COVID 19 Reporting then filter.

- To track FFCRA hours and dollars use the Earning Export Report. Use the date range of 4/1/2020 - 3/31/2021
- To determine FFCRA rate of pay use the FFCRA Average Hours and Wage Report
- To see FFCRA tax credits use FFCR Act Business Credits