

FAMILY FIRST CARES RELIEF ACT

► HELPFUL WEBSITES

https://mcusercontent.com/db04baefe54de279d566e0d09/files/53cfb961-489b-4f3a-b8e4-0e97f97c0736/FFCRA_Poster_WH1422_Non_Federal.pdf - **REQUIRED POSTER FOR FFCRA**

<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions> - **FAQ for FFCRA**

<https://www.dol.gov/agencies/whd/fact-sheets/56a-regular-rate> - **CALCULATING REGULAR RATE OF PAY**

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

► PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees: Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- 2/3 for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 12 weeks of paid sick leave and expanded family and medical leave paid at 2/3 for qualifying reason #5 below for up to \$200 daily and \$12,000 total. A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

► ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

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► **QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19** An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to telework, because the employee:

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| <ol style="list-style-type: none">1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;2. has been advised by a health care provider to self-quarantine related to COVID-19;3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); | <ol style="list-style-type: none">5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services. |
|---|---|

RUNNING PAYROLL

Three new global categories, fully taxable currently:

EPSL – Self, Pay Code 50 (100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total)

EPSL – Other, Pay Code 51 (2/3 for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total)

EFMLA – Pay Code 52 (Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 and expanded family and medical leave paid at 2/3 for qualifying reason #5 below for up to \$200 daily and \$12,000 total. A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.5)

Three new pay codes have been added to all client companies using a number set somewhere in a 50-gap interval range that is available across all clients in the database. These three new pay codes will appear, regular hours and amount, in any PowerGrid marked show to web or default.



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ENFORCEMENT

The U.S. Department of Labor’s Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.

UNDERSTANDING PAYROLL REPORTS

The Total Amount of your Tax Impound will be affected by any applicable credit. Your Payroll Liability Report will list any applicable credit taken and any remaining unused balance. QuickBooks payroll export will include the new tax credits when the tax liabilities or tax checks option are selected.

REAL WORLD EXAMPLES

EFTPS 941, 943, and 944 payments will be affected by any applicable credit. If any of the new pay codes are used during payroll, the system will auto credit the allowed credit amount and use as much as it can to reduce the 941 payment. In the example below ***if you paid \$3000 in eligible credits but only had \$524.53 in taxes, the 941 payment would be 0 and the remaining \$2475.47 the employer will fill out a request for an accelerated refund from the IRS. The IRS has not given out the details for this process yet.***

In another example, if you paid \$8,000 in eligible credits but had \$10,000 in taxes the 941 amounts to be paid would be \$2,000.

| Current Payroll Tax Liabilities | | *** To-Date Tax Liabilities (Please Read) *** | |
|---|-------------------|--|----------------------|
| Basic Company Information Simplifi Employer Outsourcing Services 8025 Roosevelt Blvd Suite 202 Philadelphia, PA 19152 Company No: 2008 | | Payroll Dates Check Date: 04/10/20 (1) Period Start Date: 03/22/20 (1) Period End Date: 04/04/20 Federal Deposit Freq.: SEMI-WEEKLY Federal Deposit Method: Total Tax | |
| | | Payroll Statistics No. of PR Checks: 0 Total Check Net: \$2,002.22 No. of Misc Checks: 0 Total Misc Net: \$0.00 No. of Tax Checks: 0 No. of Adj. Entries: 0 Total Adj. Net: \$0.00 No. of Void Entries: 0 Total Void Net: \$0.00 No. of DD Vouchers: 3 Total PR Net: \$2,002.22 Total PR Gross: \$3,000.00 | |
| Federal Tax Section | | | |
| Federal Tax Deposit Liability (941) | | \$0.00 | |
| Federal Withholding Tax | \$143.43 | | |
| Earned Income Credit | \$0.00 | | |
| Social Security (Employer Portion) | \$154.43 | | |
| Social Security (Employee Portion) | \$154.43 | | |
| Medicare (Employer Portion) | \$36.12 | | |
| Medicare (Employee Portion) | \$36.12 | | |
| EPSL & EFMLA Credit Taken | (\$524.53) | | |
| EPSL & EFMLA UnApplied Credit | \$2,475.47 | | |
| Cobra Premium Assistance Credit | \$0.00 | | |
| Total PR Federal 941 Liability | \$2,475.47 | | |
| | | Quarter / Year : 2-2020 | Tax Type: 941 |

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SMALL BUSINESS EXEMPTIONS

There are a number of details included in DOL's guidance that employers impacted by the FFCRA must note, should they qualify for and seek an exemption from the law's expanded leave provisions.

One such note is the authorized officer provision. Essentially, an employer with fewer than 50 employees may claim an above exemption if the authorized officer determines at least one of the following applies:

- (a) providing the leave would result in the small business' expenses and financial obligations exceeding available business revenues and cause the employer to cease operating at a minimal capacity;
- (b) the absence of the employee or employees requesting such leave would entail a substantial risk to the financial health or operational capabilities of the employer because of their specialized skills, knowledge of the business or responsibilities; or
- (c) there are not sufficient workers who are able, willing, and qualified, and who will be available at the time and place needed, to perform the labor or services provided by the employee or employees requesting the leave, and these labor or services are needed for the small business to operate at a minimal capacity.