



Updates to Families First Coronavirus Response Act (FFCRA) What does this mean for Employers?

12.30.2020 Employers have wondered if the **mandated paid sick and family leave passed under the Families First Coronavirus Response Act (FFCRA) will be extended beyond the December 31st deadline.**

The answer is “no”; BUT employers who **voluntarily** offer paid “FFCRA” leave to employees through March 31, 2021 will still receive the corresponding tax credit.

So, **NO, not mandated** to continue adhering to FFCRA after 12/31/2020

But, **YES, the company can opt to continue voluntarily** adhering to FFCRA and, if the company opts to continue offering FFCRA paid leave, all current provisions and record keeping apply.

What does this mean for employers?

Employers can opt to continue adhering to FFCRA through 3/31/2021 OR opt to not continue this paid leave into the new year.

If an employer opts to continue offering FFCRA, the following applies:

Paid Sick Leave

The amounts an employer paid towards each employee’s FFCRA time off in 2020 should be considered if the employer is continuing this paid leave through 3/31/2021.

- a. *Example:* Employee XYZ was out due to COVID (their own serious health condition) for 24 hours in 2020. This means that Employee XYZ has a balance of 56 FFCRA hours to use through 3/31/2021, if they experience an eligible FFCRA qualifying event.

Paid Family Leave

Like Sick leave, Family leave can be continued as well through 3/31/2021.

Similarly, the amount of time an employer paid towards the employee's family leave in 2020 should be considered if the employer is continuing this paid leave through 3/31/2021.

- a. *Example:* Employee XYZ was out for 6 weeks, in 2020, to take care of children when school closed. This means that Employee XYZ has a balance of 4 FFCRA weeks to use through 3/31/2021, if they experience an eligible FFCRA qualifying family event.

In both situations, the employer's eligibility for a tax credit for providing and paying Sick and Family leave to their employees continues through March 31, 2021.

Decisions companies need to make:

- Will the company continue to provide paid sick leave?
- Will the company continue to provide paid family leave?
- Will the company continue to provide both?

Once the decision is made, what is next?

Regardless of whether or not the company opts to continue FFCRA paid leave, we recommend that the company notify its employees.

If the company opts to continue, we recommend releasing another copy of the FFCRA Posting Notice and notifying employees that the company will extend the benefit through 3/31/2021, and that all the same provisions apply.

If the company opts to discontinue, we recommend notifying employees that FFCRA has expired and it will no longer be available to employees as of 12/31/2020.

We will continue to stay abreast of FFCRA updates. If you have a question about FFCRA and continuing/ not continuing the benefit into 2021, please give us a call at 215-716-3035 x 712 or email us at Keith@McCloskeyPartners.com

What's that popular saying that we heard so many times in 2020...

**We are in this together! You do not need to navigate FFCRA on your own.
Give us a call today and we can help you.**

Have a Happy New Year,

The McCloskey Partners, LLC Team