Engage PEO Client Alert:

Update: Families First Coronavirus Response Act (FFCRA) Paid Leave Provisions

In early 2020, Congress passed a number of provisions to help curtail the spread of COVID-19 in the workplace, which included mandatory Emergency Paid Sick Leave (EPSLA) and Emergency Family and Medical Leave (EFMLA) benefits to employees for qualifying reasons.

As the provisions and obligations of the Families First Coronavirus Response Act (FFCRA) expired on December 31, 2020, Congress has recently passed a second Coronavirus stimulus bill providing varying levels of relief to individuals and small businesses. This law, which was signed into law on December 27, 2020, will extend the tax credits available to employers who continue to offer paid leave according to the FFCRA framework through March 31, 2021. The law did not, however, extend the obligation on employers to provide paid leave. Therefore, **employers will no longer be required to provide paid leave under the FFCRA after December 31, 2020, and offering such leave after the expiration date is voluntary.**

Employers may wish to consider offering paid time off as offering paid leave is often an effective way to enable employees to stay home when they are sick or have been exposed to COVID-19. Thus, employers who voluntarily continue to provide this form of paid leave will still be eligible for tax credits on wages paid to employees that would otherwise have been mandated by the FFCRA.

If an employee has already exhausted their FFCRA leave entitlement in the previous year, any additional leave provided voluntarily by the employer through March 31, 2021 will not be eligible for tax credits. If an employee used some of their time, then the balance would be available for tax credits. **Engage will continue to assist with the administration of FFCRA leave requests for those clients who voluntarily continue to provide leave under this framework through March 31, 2021.**

- **For more information, reference the Engage FFCRA Frequently Asked Questions, accessed here.**

If you have any questions, please contact your Engage HR Consultant.