



March 25, 2020

## **Family First Coronavirus Response Act (FFCRA) Effective April 1, 2020 \*Employer Highlights**

### **FFCRA covers businesses and tax-exempt organizations with fewer than 500 employees**

#### **Paid Sick Leave:**

- Employees receive up to two weeks (80 hours) of paid sick leave.
- The reason for the leave will impact the amount of the payment.
- Please see Q&A provided by the U.S Department of Labor for payment details:  
<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>
- Employee's length of employment is not applicable.

#### **Expanded Family Leave (Child Care):**

- The first 10 days are unpaid with the remaining paid leave for up to 10 weeks.
- Child Care Leave payments are for employees unable to work or telework to take care of a child under 18 as a result of a school closing or childcare being unavailable.
- Please see Q&A provided by the U.S. Department of Labor for payment details:  
<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>
- Employees must be employed for at least 30 days prior to the date of the leave.

#### **Employer Credits:**

- IRS will allow employers to reduce the payroll tax deposits owed by the amount of leave paid.
- Employers can request an accelerated payment from the IRS if the payroll tax deposit doesn't cover the cost of the qualified sick and childcare leave paid.
- Additional guidance to be released.

#### **Payroll Tips:**

- Setup unique pay codes in the payroll software for tracking each payment (if applicable).
- Create a checklist to help ensure the correct amounts are being paid under the correct category.

#### **Illinois Unemployment:**

- The IDES link to help with questions related to COVID-19:  
<https://www2.illinois.gov/ides/Pages/COVID-19-and-Unemployment-Benefits.aspx>

#### **Other Items:**

- Self-employed individuals are included in this act to receive an equivalent credit. This would be claimed on their income tax return and will reduce estimated tax payments.
- The new stimulus package is expected to offer additional relief to employers. Watch for guidance to be released once it is signed into law.

\*Note: The above highlights are meant to be a broad overview of the FFCRA. Legal counsel is advisable before implementing this Act.