



## BULLETIN

April 02, 2020 (UPDATE)

### FFCRA PAYMENT PROCESS AND TAX CREDIT

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Effective April 1st, the Families First Coronavirus Response Act (FFCRA) requires certain employers to provide their employees with payments under Emergency Paid Sick Leave and Emergency FMLA.

**Employees can request leave under one of the following six reasons:**

1. Subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. Advised by a health care provider to self-quarantine related to COVID-19;
3. Experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. Caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. Caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or
6. Experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

### **What happens if an employee requests leave under FFCRA?**

- An Eligible Employer will substantiate eligibility for the sick leave or family leave credits if the employer receives a written request for such leave from the employee in which the employee provides:
  - The employee's name;
  - The date or dates for which leave is requested;
  - A statement of the COVID-19 related reason the employee is requesting leave and written support for such reason; and
  - A statement that the employee is unable to work, including by means of telework, for such reason.
- In the case of a leave request based on a quarantine order or self-quarantine advice, the statement from the employee should include the name of the governmental entity ordering quarantine or the name of the health care professional advising self-quarantine, and, if the person subject to quarantine or advised to self-quarantine is not the employee, that person's name and relation to the employee.
- In the case of a leave request based on a school closing or child care provider unavailability, the statement from the employee should include the name and age of the child (or children) to be cared for, the name of the school that has closed or place of care that is unavailable, and a representation that no other person will be providing care for the child during the period for which the employee is receiving family medical leave and, with respect to the employee's inability to work or telework because of a need to provide care for a child older than fourteen during daylight hours, a statement that special circumstances exist requiring the employee to provide care.

### **What additional records should an Eligible Employer maintain to substantiate eligibility for the sick leave or family leave credit?**

- An Eligible Employer will substantiate eligibility for the sick leave or family leave credits if, in addition to the information set forth in FAQ 44 ([“What information should an Eligible Employer receive from an employee and maintain to substantiate eligibility for the sick leave or family leave credits?”](#)), the employer creates and maintains records that include the following information:
  - Documentation to show how the employer determined the amount of qualified sick and family leave wages paid to employees that are eligible for the credit, including records of work, telework and qualified sick leave and qualified family leave.
  - Documentation to show how the employer determined the amount of qualified health plan expenses that the employer allocated to wages. See FAQ 31 ([“Determining the Amount of Allocable Qualified Health Plan Expenses”](#)) for methods to compute this allocation.
  - Copies of any completed [Forms 7200, Advance of Employer Credits Due To COVID-19](#), that the employer submitted to the IRS.
  - Copies of the completed Forms 941, Employer’s Quarterly Federal Tax Return, that the employer submitted to the IRS (or, for employers that use third party payers to meet their employment tax obligations, records of information provided to the third party payer regarding the employer’s entitlement to the credit claimed on Form 941).

**If one of our employees qualifies for paid leave under FFCRA, what do we need to provide to Employco?**

- Included with your regular payroll timing, provide your assigned Employco payroll representative with detailed instructions to process a payment under E-PSL or E-FMLA. Please include a copy of the employee request and any other supporting documentation.
- If your company’s payroll has sufficient federal employment taxes set aside for deposit to the IRS to fund the required qualified leave wages, you are not required to file a Form 7200.
- If your company’s payroll does not have sufficient federal employment taxes set aside for deposit to the IRS to fund the required qualified leave wages, you may file a Form 7200 with the IRS to claim an advance credit for the remaining qualified leave wages (and any allocable qualified health plan expenses and the Eligible Employer’s share of

Medicare tax on the qualified leave wages) it has paid for the quarter for which it did not have sufficient federal employment tax deposits.

- If you file a Form 7200:
  - You can contact your assigned payroll representative to obtain the Third Party company name and EIN being used for your payroll.
  - It is imperative that you provide us a copy of the filed Form 7200.
- We will not be able to process the tax credit without the employee request and other supporting documentation.

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If you're looking for further discussion and information, you can register for our free webcast, "**Navigating the CARES Act and COVID-19.**"

[REGISTER HERE: Friday, April 3rd at 11:00am CT](#)



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WEBCAST:  
**NAVIGATING THE CARES  
ACT AND COVID-19**

DATE/TIME:  
**FRIDAY, APRIL 3<sup>RD</sup> at  
11:00AM CT**

[www.employco.com](http://www.employco.com)

**COVID-19**

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Stay up-to-date with the latest material on our coronavirus web page - dedicated to sharing information about COVID-19 and how it relates to the workplace: <https://www.employco.com/coronavirus>

Please [contact us](#) if you have any questions.





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## Questions, comments, feedback?

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### Connect with us



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