

FFCRA CHANGES UNDER ARPA

ARPA extended employer credits under FFCRA by 6 months



FFCRA in 2020 and Q1 2021

Paying leave is mandatory for employers in 2020 and optional in Q1 2021

Paid leave for 3 types of self-care qualifies for credit

Original types:

- Employee is in government-mandated quarantine
- Employee is in healthcare-recommended quarantine
- Employee is symptomatic and awaiting diagnosis

Credit for paid leave for self-care is up to \$5,110 per employee for 2020 and Q1 2021 combined

Paid leave for other care qualifies for credits

Credit for paid leave for other care is up to \$2,000 per employee for 2020 and Q1 2021 combined

Paid leave for 1 type of family need qualifies for credit

Credit for paid family leave is up to \$10,000 per employee for 2020 and Q1 2021 combined

Leave payments are exempt from employer social security

Credit is for leave payments, health costs, and employer Medicare on the leave

“Nonrefundable” portion of credit is claimed by offsetting leave payments against employer social security deposits

“Refundable” portion of credit is claimed by offsetting leave payments against all other 941 deposits

Paid leave plans not subject to restrictions

FFCRA in Q2 and Q3 2021

Paying leave is optional for employers

Paid leave for **original 3 types & 3 new types** of self-care qualifies for credit

New types:

- Employee is getting a COVID vaccine
- Employee is recovering from a reaction to the COVID vaccine
- Employee is seeking a test/diagnosis per employer’s request or after COVID exposure

Credit for paid leave for self-care is up to \$5,110 per employee for Q2 and Q3 2021 combined

Paid leave for other care qualifies for credits (no change)

Credit for paid leave for other care is up to \$2,000 per employee for Q2 and Q3 2021 combined

Paid leave for **original 1 type & all types of self and other care** qualifies for credit

Credit for paid family leave is **up to \$12,000** per employee for Q2 and Q3 2021 combined (limit is still \$200 per day)

Leave payments are **taxable for employer social security**

Credit is for leave payments, health costs, **and employer social security** and Medicare on the leave

“Nonrefundable” portion of credit is claimed by offsetting leave payments **against employer Medicare deposits**

Pending IRS guidance

Paid leave plans cannot favor:

- Highly compensated employees
- Full-time employees
- Employees based on tenure

If it does, you can’t claim the credit

At Viventium, we’re in it with you.

Viventium Software Inc. is a SaaS-based human capital management solution that provides a remarkable user experience and design anyone can use with ease. Viventium provides flexible software and expert guidance so clients can be sure their payroll is done right.

For more information, visit [Viventium.com](https://www.viventium.com).

