GBS COVID-19 Update

# FFCRA - What's Next?

*The evolution of the COVID-19 epidemic is constantly evolving. The information in this document is based on what known at this time. As things change, we will continue to update you as it affects employee benefits compliance rules.*

*December 30, 2020*

As 2020 comes to a close, small business owners and HR professionals have been asking about the future of the Families First Coronavirus Relief Act (FFCRA). The FFCRA was signed into law and went into effect in April of 2020, providing two weeks of full pay to workers who become sick due to the coronavirus or who became placed under quarantine. In addition, the Act granted paid leave of absence up to 10 additional weeks for those who found themselves caring for a sick household member or for children while schools and day cares are closed. The Act applied to employers of less than 500 employees.

Would the FFCRA be extended or renewed? Would it really come to rest on 12/31/2020? The answer is here and it falls somewhere in between.

On Sunday, December 27th President Trump signed into law the Emergency COVID-19 Relief Act of 2020.

Specific language in this massive new legislation (over 5,600 pages) does address the future of the FFCRA. This latest stimulus bill is clear in that the Act does not extend sick or family leave mandates. Mandatory compliance with the FFCRA ends this week on December 31st. However, the language in the Act does allow for an option to private employers. Through March 31, 2021 the new Act provides the choice of continuing the program; and in support of the employer, the Act will extend the federal tax credits should the employer decide to continue the paid employee leave benefits. Public employees will not be allowed to extend the protections of the FFCRA.

In short, the choice is left to the employer. Employers who choose to offer the extension of the benefit through March 31st will be backed by the federal government in that they will be eligible for the tax credit subsidy for one additional calendar quarter. Initial limits apply. For example, if a full-time employee used 40 hours of Emergency Paid Sick Leave (EPSL) earlier this year and the employer agrees to the option of extending coverage through March, that employee will be limited to the original total of 80 hours maximum EPSL.

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