



DOL/IRS Guidance on Implementation of the Families First Coronavirus Response Act

On March 23, 2020, the DOL and the IRS issued joint guidance on implementation of the FFCRA. The guidance includes “Key Takeaways,” which are quoted below.

- **Paid Sick Leave for Workers**
 - For COVID-19 related reasons, employees receive up to 80 hours of paid sick leave and expanded paid child care leave when employees’ children’s schools are closed or child care providers are unavailable.
- **Complete Coverage**
 - Employers receive 100% reimbursement for paid leave pursuant to the Act.
 - Health insurance costs are also included in the credit.
 - Employers face no payroll tax liability.
 - Self-employed individuals receive an equivalent credit.
- **Fast Funds**
 - Reimbursement will be quick and easy to obtain.
 - An immediate dollar-for-dollar tax offset against payroll taxes will be provided.
 - Where a refund is owed, the IRS will send the refund as quickly as possible.
- **Small Business Protection**
 - Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed or child care is unavailable in cases where the viability of the business is threatened.



- **Easing Compliance**

- Requirements subject to 30-day non-enforcement period for good faith compliance efforts.

To take immediate advantage of the paid leave credits, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form that will be released next week.

According to a related Notice published on the DOL Wage and Hour Division website, the DOL expects to publish implementing regulations sometime in April 2020. We expect such regulations to define and interpret important words and phrases in the FFCRA.

Here is a link to the entire DOL/IRS Guidance – <https://www.dol.gov/newsroom/releases/osec/osec20200320>

Here is link to related Notice currently available on the DOL Wage and Hour Division website – <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

Here is link to related Questions and Answers currently available on the DOL Wage and Hour Division website – <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>

If you have questions, please contact a member of our Labor and Employment Law Practice Group.



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