

PAID TIME OFF AND TAX RELIEF UPDATES UNDER PANDEMIC RELIEF PACKAGE

On December 27, 2020, a \$900 billion dollar pandemic relief package was signed into law. The relief package, among other things, impacts provisions of the Families First Coronavirus Response Act ("FFCRA"), which was set to expire on December 31, 2020. Under the FFCRA, employers with fewer than 500 employees were required to provide their employees with emergency paid sick leave and emergency paid family and medical leave for specified reasons related to COVID-19 through December 31, 2020. Despite speculation that the paid leave requirement would be extended into 2021, Congress did not extend this mandate. Thus, after December 31, 2020, covered employers are not mandated to provide paid leave under the FFCRA.

Employers may, however, continue voluntarily providing paid leave as provided for under the FFCRA and receive tax credits/refunds through March 31, 2021. The new law extends the FFCRA refundable tax credits to employers who provide employees with paid leave through March 31, 2021. Though the FFCRA's tax credit is extended to 2021, it does not make an employee eligible for any *additional* leave under the FFCRA. Thus, if an employee has exhausted all available FFCRA leave prior to December 31, 2020, they will not be eligible for additional leave in 2021. However, if an employee has not done so, an employer can opt to extend their deadline to utilize their leave to March 31, 2021.

Importantly, employers must also consult State sick leave laws for additional requirements that may provide for other paid sick leave benefits for employees who are affected by covid-19 in 2021.

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Should you have any questions regarding the above, please contact the [Garfunkel Wild attorney](#) with whom you regularly work, or contact us at info@garfunkelwild.com.

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