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MEMBER COMMUNICATION & ACTIVITIES UPDATES

FFCRA Paid Leave Tax Credits Extended through March 31, 2021

The Families First Coronavirus Response Act (FFCRA) required employers with fewer than 500 employees to provide paid sick and family leave to employees during the period of April 1, 2020 through December 31, 2020. Covered employers who provided paid leave were 100% reimbursed through a payroll tax credit mechanism, which has been extended through March 31, 2021.

The FFCRA paid sick and family leave law was modified by the coronavirus relief and government funding bill that was signed into law on December 27, 2020. The FFCRA paid leave mandate expired on December 31, 2020 as originally planned – employers are no longer required by federal law to provide FFCRA paid leave. However, the FFCRA paid leave employer tax credits have been extended through March 31, 2021 for employers who comply voluntarily or otherwise through that date. **Employers who do provide FFCRA paid leave after December 31, 2020 can still receive 100% reimbursement for FFCRA paid leave provided through March 31, 2021 through the same tax credit mechanism that has been in place since April 1, 2020.**

SWACCA has produced a FFCRA guidebook tailored to the operations of signatory construction employers. The guidebook was first published on April 1, 2020 and was most recently updated to reflect the elimination of the FFCRA mandate. It includes information about which employers and employees are covered, how much leave is available to eligible employees, and how employers should go about receiving the tax credit reimbursement. You can [download it here.](#)

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Employers experienced with the FFCRA should note the following:

- While the employer tax credits have been extended, the federal requirement to provide FFCRA paid leave expired on December 31, 2020. State and local paid leave requirements may differ from the FFCRA.
- The tax credit extension does not expand the amount of paid leave available to each employee, meaning paid leave used by an employee during 2020 counts toward the maximums permitted under the law.
- To be eligible for tax credit reimbursement, the paid leave must be provided not later than March 31, 2021.

The Wage and Hour Division of the U.S. Department of Labor has maintained a FFCRA frequently asked questions website at <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>. The Department added two new questions on December 31, 2020 regarding the recent changes to the law. FAQ #104 address the fact that employers are no longer required to provide FFCRA paid leave after December 31, 2020. FAQ #105 addresses the fact that employers were obligated to provide FFCRA paid leave prior to January 1, 2021, and that the Department will enforce the FFCRA requirements for leave taken or requested by employees through December 31, 2020.

Additional information about the FFCRA can be found in [SWACCA's updated FFCRA Guidebook](#).