

LEGAL ALERT

Federal Stimulus Package Extends FFCRA Tax Credit, but not Mandated Leave

Congress approved a \$900 billion stimulus package on December 21, 2020, which provides several changes to the Families First Coronavirus Response Act (FFCRA). To date, the bill has not been signed by the President who recently criticized the bill's direct payments to individuals for being insufficient. At this point it remains unclear whether the President will sign the legislation. However, if the bill is signed in its current form it would impact the FFCRA in the following ways:

- Private employer tax credits for employees taking leave are extended to include leave taken by March 31, 2021 (from December 31, 2020);
- Federal funding of extended unemployment compensation is extended to March 14, 2021 (from December 31, 2020);
- Emergency staffing flexibility extended to March 14, 2021 (from December 31, 2020); and
- For school nutrition assistance, the stimulus bill would for school year 2020-2021 permit state agencies to use simplifying assumptions and best feasibly attainable data to determine status of schools and child care facilities as opened, closed, or reduced operations, to establish state or regionally based benefit levels, to identify eligible children for assistance, and to establish eligibility periods for child assistance.

Mandated paid sick leave for up to 80 hours of pay under FFCRA is not amended by the stimulus bill and therefore will expire on December 31, 2020. However, as of January 1, 2021, covered employers (private employers only, government employers cannot receive the credit) may voluntarily provide emergency paid sick leave or emergency paid FMLA leave under FFCRA and take the associated tax credit for leave taken through March 31, 2021. The tax credit is equal to 100% of qualified sick leave wages (up to certain amounts) paid by the employer.

While the final statutory language may be in flux as it awaits the President's signature, the full text of the most recent stimulus bill to pass Congress can be found [here](#). The full text of the FFCRA passed in the spring can be found [here](#).

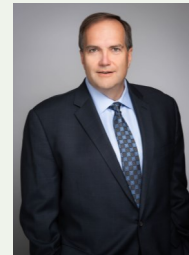
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