



Happy New Year! While we are all happy to have 2020 behind us, 2021 is already greeting us with some changes with regards to the provisions brought about by the Families First Coronavirus Response Act (FFCRA). While the FFCRA expired on December 31, 2020, the Consolidated Appropriations Act, 2021, which was passed in late December, extended some of those benefits on a voluntary basis and made changes to provisions of the CARES Act as well. The Department of Labor (DOL) has issued revisions to its FFCRA FAQ information, which you can access [here](#) for further guidance.

Q: Is my company still required to pay for FFCRA leave?

A: No. The effective period for required payment of FFCRA leave for eligible employees was April 1, 2020 through December 31, 2020. Employers may voluntarily continue providing paid sick leave and expanded family and medical leave and will still be eligible for employer tax credits through March 31, 2021.

Q: If an employee was eligible for FFCRA leave in 2020 but did not use it, can they use that leave in 2021?

A: Yes, but only if the employer chooses to voluntarily provide FFCRA leave in 2021. As stated above, employer tax credits for paid sick leave and expanded family and medical leave voluntarily provided to employees have been extended through March 31, 2021.

Q: If my company chooses to voluntarily continue offering FFCRA leave, are my employees required to provide necessary documentation prior to taking applicable leave?

A: Yes, appropriate documentation should still be provided “as soon as practicable, which in most cases will be when the employee provides notice of” the need for leave. Employers should keep this documentation for audit purposes.

Q: If my company chooses to voluntarily continue offering FFCRA leave, is an employee who used all of their 80 hours of FFCRA paid sick leave in 2020 eligible for an additional 80 hours of FFCRA paid sick leave in 2021?

A: No. The total hours provided for as part of the FFCRA paid sick leave is 80.

Q: Who should my company contact to advise LBMC Employment Partners whether or not we would like to continue offering the FFCRA paid sick leave and expanded family and medical leave on a voluntary basis?

A: Please let your HR Business Partner know as soon as possible so that we may update our systems and records accordingly.

Q: What other changes are included in the Consolidated Appropriations Act 2021?

A: The Act modifies the Employee Retention Tax Credit enacted under the CARES Act by increasing the tax credit percentage from 50% of qualified wages to 70% of qualified wages, increasing the \$10,000 annual cap on eligible employee wages to a \$10,000 quarterly cap on eligible employee wages and extending the tax credit until June 30, 2021. These changes are effective beginning

January 1, 2021 and are not retroactive. Additionally, the Act changes the previous rule that employers who received a PPP loan were ineligible for the Employee Retention Tax Credit. Employers who receive PPP loans may now still qualify for the Employee Retention Tax Credit with respect to wages that are not paid for with PPP loan proceeds.