

## Summary of Paid Leave Provisions in the Families First Coronavirus Response Act

### Paid Sick Leave

- The legislation requires employers with fewer than 500 employees to provide employees two weeks of paid sick leave, paid at the employee's regular rate, to:
  - quarantine or seek a diagnosis or preventive care for coronavirus; or
  - paid at two-thirds the employee's regular rate to care for a family member for such purposes or to care for a child whose school has closed, or child care provider is unavailable, due to the coronavirus.
- Full-time employees are entitled to 2 weeks (80 hours) and part-time employees are entitled to the typical number of hours that they work in a typical two-week period.
- The government pays for this. The legislation provides a refundable tax credit (to the company) equal to 100 percent of qualified paid sick leave wages paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes). Qualified sick leave wages are wages required to be paid by the Emergency Paid Sick Leave Act.

### Paid Family Leave

- The legislation provides employees of employers with fewer than 500 employees and government employers, who have been on the job for at least 30 days, with the legal right take up to 12 weeks of job-protected leave under the Family and Medical Leave Act to be used for any of the following reasons:
  - To adhere to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus;
  - To care for an at-risk family member who is adhering to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus; and
  - To care for a child of an employee if the child's school or place of care has been closed, or the child-care provider is unavailable, due to a coronavirus.
- After the two weeks of paid leave, employees will receive a benefit from their employers that will be no less than two-thirds of the employee's usual pay.
- Like the sick leave provisions, the legislation provides a refundable tax credit equal to 100 percent of qualified family leave wages paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes). Qualified family leave wages are wages required to be paid by the Emergency Family and Medical Leave Expansion Act. The amount of qualified family leave wages taken into account for each employee is capped at \$200 per day and \$10,000 for all calendar quarters. If the credit exceeds the employer's total liability under section 3111(a) for all employees for any calendar quarter, the excess credit is refundable to the employer. Employers may elect to not have the credit apply. To prevent a double benefit, no deduction is allowed for the amount of the credit. In addition, no credit is allowed with respect to wages for which a credit is allowed under section 45S.