

# New Guidance on Reporting Sick and Family Leave Wages for Coronavirus Relief

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The Internal Revenue Service and the Treasury Department provided guidance to employers requiring them to report the amount of qualified sick and family leave wages they have paid to their employees under the Families First Coronavirus Response Act on Form W-2.

In Notice 2020-54, the IRS said Wednesday that employers will be required to report these amounts either on Form W-2, Box 14, or in a statement provided with the Form W-2. The guidance gives employers some optional language they can use in the Form W-2 instructions for employees.

The wage amount that employers must report on Form W-2 will offer self-employed individuals who are also employees the information they need to determine the amount of any sick and family leave equivalent credits they can claim in their self-employed capacities.

In the notice, the IRS noted that the Families First Act generally requires employers with fewer than 500 employees to provide paid leave due to certain circumstances related to COVID-19 through two separate provisions: the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act.

The Emergency Paid Sick Leave Act requires some employers to provide employees with up to 80 hours of paid sick leave if the employee is unable to work or telework because, according to the IRS notice, the employee:

- Is subject to a federal, state or local quarantine or isolation order related to COVID19;
- Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- Is caring for an individual who is subject to a federal, state, or local quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- Is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions; or,
- Is experiencing any other substantially similar condition specified by the Department of Health and Human Services in consultation with the Treasury and Labor Departments.