

January 2021

Client Advisory

FFCRA Tax Credit Extended to March 31, 2021

The federal Families First Coronavirus Response Act (“FFCRA”), which became law in 2020 as a result of the pandemic, generally required that employers with fewer than 500 employees provide sick and family leave benefits through December 31, 2020 for certain COVID-19-related individuals. Those provisions were not extended by the pandemic relief package which was signed into law on December 27, 2020. As a result, employers are no longer required to provide paid leave under the FFCRA.

While those provisions were not extended beyond the close of 2020, December’s pandemic relief package extended the FFCRA tax credit. Thus, effective as of January 1, 2021, while employers are no longer required to provide FFCRA leave, those who voluntarily offer such leave may continue to utilize the tax credit to reimburse themselves for the cost of the benefits paid to employees through March 31, 2021.

Of course, there are details. If you want to learn more about the new provision or have any questions, please reach out to your Archer attorney or any member of Archer’s [COVID-19 Task Force](#).

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