



## HR Updates

by Insurance Marketing Center

February 02, 2021

### **New Guidance Addresses Credit Extension for Leave Granted Voluntarily**

On Jan. 29, 2021, the IRS updated its [frequently asked questions](#) (FAQs) on tax credits available to employers for providing paid employee leave under the Families First Coronavirus Response Act (FFCRA). While the paid sick and family leave requirements of the FFCRA expired on Dec. 31, 2020, the law's tax credits were extended for employers that voluntarily provide the leave to employees through March 31, 2021. The FAQ updates address this extension.

The FFCRA tax credits cover certain costs of the employee leave required by the law: employee wages, health plan expenses allocable to those wages, and the employer's portion of the Medicare tax related to the wages.

Eligible employers may claim the credits on their federal employment tax returns (e.g., Form 941, *Employer's Quarterly Federal Tax Return*), but they can benefit more quickly from the credits by reducing their federal employment tax deposits.

**HR News Alerts provided by:**

Insurance Marketing Center

1101 Wootton Parkway, Rockville, MD 20852  
301-468-8888

*Please Note: The information and materials herein are provided for general information purposes only and are not intended to constitute legal or other advice or opinions on any specific matters and are not intended to replace the advice of a qualified attorney, plan provider or other professional advisor. This information has been taken from sources which we believe to be reliable, but there is no guarantee as to its accuracy. In accordance with IRS Circular 230, this communication is not intended or written to be used, and cannot be used as or considered a 'covered opinion' or other written tax advice and should not be relied upon for any purpose other than its intended purpose.*

*The information provided herein is intended solely for the use of our clients and members. You may not display, reproduce, copy, modify, license, sell or disseminate in any manner any information included herein, without the express permission of the Publisher. Kindly read our Terms of Use and respect our Copyright.*

Copyright © 2019 HR 360, Inc., All rights reserved.