

The Impact of the Consolidated Appropriations Act, 2021 on COVID-19 Leave

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The Consolidated Appropriations Act, 2021, which was signed into law on December 27, 2020, includes amendments to the Families First Coronavirus Response Act (FFCRA). The FFCRA required covered employers to provide eligible employees with emergency paid sick leave under the Emergency Paid Sick Leave Act, and expanded family and medical leave under the Emergency Family and Medical Leave Expansion Act, until December 31, 2020.

Section 286 of the Consolidated Appropriations Act – Extension of Credits for Paid Sick and Family Leave – does not extend the requirement to provide FFCRA leave beyond December 31, 2020, but it does amend the FFCRA to allow employers to claim payroll tax credit for providing FFCRA leave for employees until March 31, 2021. Therefore, employers may voluntarily elect to provide FFCRA leave from January 1, 2021 to March 31, 2021 and if they do so, they can apply for a payroll tax credit for the amount of the FFCRA benefits paid during this extended time period.

Employers should be aware that claims for payroll tax credit are limited by the maximum amount of paid leave allowed under the FFCRA. Section 286 does not amend the maximum amount of leave allowed for employees under the FFCRA. Therefore, employers cannot receive payroll tax credits for leave provided in excess of the FFCRA limits.

For a full description of the benefits provided under FFCRA for Emergency Paid Sick Leave and for Emergency Family and Medical Leave, please see our [March 26, 2020 article](#) and information in our [Coronavirus Resource Center](#).