

COVID-19-Related Relief for Small and Mid-Sized Businesses

Federal Agencies Implement Paid Leave and Payroll Tax Credits

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Financial support included in the federal government's Families First Coronavirus Response Act (Act) will now be implemented to help small and mid-sized businesses affected by the COVID-19 coronavirus. Enacted on March 18, 2020, the Act provides key benefits for eligible businesses, allowing for paid sick leave and expanded family and medical leave for coronavirus-related reasons as well as a refundable paid sick leave credit and paid childcare leave credit.

The U.S. Treasury Department, Internal Revenue Service (IRS) and the U.S. Department of Labor have now announced that small and mid-sized businesses can begin taking advantage of these important benefits to reimburse them for the cost of providing employees with coronavirus-related leave.

The Act is effective on April 2, 2020 and is scheduled to sunset on December 31, 2020. **U.S. businesses with fewer than 500 employees** will be reimbursed for the cost of providing staff with paid leave, whether to care for the employee's own or family members' health. The legislation equips employers to keep workers on their payrolls and, therefore, to avoid making a choice between their paychecks and the public health measures so vital to battling the virus.

The following is the IRS' exact summary of the Act's business relief provisions:

Paid Sick Leave for Workers

For COVID-19-related reasons, employees receive up to 80 hours of paid sick leave and expanded paid childcare leave when employees' children's schools are closed or childcare providers are unavailable.

Complete Coverage

Employers receive 100% reimbursement for paid leave pursuant to the Act.

- Health insurance costs are also included in the credit.
- Employers face no payroll tax liability.
- Self-employed individuals receive an equivalent credit.

Fast Funds

Reimbursement will be quick and easy to obtain.

- An immediate dollar-for-dollar tax offset against payroll taxes will be provided.
- Where a refund is owed, the IRS will send the refund as quickly as possible.

Small Business Protection

Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed, or childcare is unavailable in cases where the viability of the business is threatened.

Easing Compliance

Requirements are subject to a 30-day, non-enforcement period for good faith compliance efforts.

Source Document: IRS ADVANCE RELEASE: [Documents IR-2020-57](#), March 24, 2020

Contact Us

For complete details on eligibility and reimbursement, please contact us directly:

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