

Families First Coronavirus Response Act (FFCRA) Effective April 1, 2020

Employer Paid Sick Leave and Employer Paid Family leave

- Establishes a federal emergency paid leave benefits program to provide payments to employees taking leave due to the coronavirus outbreak.
- Requires employers (even churches) to provide Emergency Paid Sick leave to employees, with minimal exemptions (see questions #58 and #59 in the Q&A below for exceptions).
- Creates dollar-for-dollar old age, survivors and disability insurance tax (payroll tax) credits for Paid Sick and Paid Family Medical Leave; credits are subject to caps.

What Ministries Should Know:

- Small- and mid-sized employers, including churches, now must provide paid sick and family leave to employees who are unable to work due to certain absences related to the COVID-19 (coronavirus) outbreak. Ordinarily, providing paid leave will not directly increase out-of-pocket payroll costs because paying an employee for time on leave costs no more than paying the employee while he or she is at work.
- However, in the aggregate, allowing employees to take paid leave without using their paid time off represents a business cost. When Congress mandated paid leave, it also allowed businesses to recoup that cost. Any church or religious organization that withholds payroll taxes for employees is eligible to participate.
- There are some exceptions. Businesses with fewer than 50 workers (which is most PCA organizations) can seek an exemption from the paid leave requirements. The Department of Labor identifies three situations in which an exemption may be available. The first situation involves the business' solvency; the others apply when the employer can't afford to let specific workers go on leave, in which case the employer may permit leave on an employee-by-employee basis.

Important Links:

Department of Labor: <https://www.dol.gov/agencies/whd/pandemic>

DOL Poster: https://www.dol.gov/sites/dolgov/files/WHD/posters/FFCRA_Poster_WH1422_Non-Federal.pdf

DOL Q&A: <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>

IRS Reimbursement Forms

Form: <https://www.irs.gov/pub/irs-pdf/f7200.pdf>

Instructions: <https://www.irs.gov/pub/irs-pdf/i7200.pdf>