

# Stimulus Bill Extends FFCRA Tax Credits but Not Leave Mandate

An appropriations bill, which was signed into law on Dec. 27, 2020, does not extend the employee leave mandates created by the Families First Coronavirus Response Act, which expire on Dec. 31, 2020. However, the bill extends tax credits for employers who offer the leave through March 31, 2021.

While employers are no longer required to offer the extensive medical leave benefits for COVID-related absences defined under the original FFCRA, the stimulus will provide credits for employers if they decide to extend this offer to them through March 31, 2021. You can read the full bulletin here: [Stimulus Bill Extends FFCRA Tax Credits but Not Leave Mandate](#)

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## Paid Leave During Quarantine – Answers for Maine Businesses



With the increasing number of COVID-19 cases in Maine,

businesses across the state are seeing employees being quarantined due to diagnosis or close exposure.

It is important to remember that under the [The Families First Coronavirus Response Act](#), all businesses with fewer than 500 employees – nearly the entirety of the Maine business community – are required to provide up to two weeks of pay (80 hours for FTEs) for quarantining employees. This includes our small businesses who may never have had to administer paid sick leave in the past.

With reduced revenue streams resulting from the pandemic, this requirement may cause deep concern.

It is important to also remember that the FFCRA also provides for a refundable tax credit for the payroll in this scenario. The credit currently is available through the end of December with their quarterly unemployment filings (form 941).

Allen Insurance and Financial has an HR Compliance Bulletin which may answer many of the questions a business owner or manager may have about these scenarios. [Click here for the PDF.](#)

*We also recommend a conversation with your tax preparation professional.*

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## **The Catch-Up Payment Provision for Overtime Exempt Employees**

## OVERVIEW



### The Catch-Up Payment Provision for Overtime Exempt Employees

The Department of Labor's final overtime rule, effective Jan. 1, 2020, allows employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10% of the salary level if these payments are made at least on an annual basis. To enable compliance with the nondiscretionary bonus option, the final rule allows employers to make a "catch-up" payment at the end of each 52-week period.

The final rule also allows employers to pay overtime payments to eligible employees in a lump sum at the end of each 52-week period. This provision is intended to help employers comply with the final rule's overtime requirements.

#### Key Takeaways

- Employers can use nondiscretionary bonuses and incentive payments to satisfy up to 10% of the salary level.
- These payments must be made at least on an annual basis.
- Employers can make a "catch-up" payment at the end of each 52-week period.

#### Additional Information

- For more information, visit [www.dol.gov](#).
- For more information, visit [www.dhs.gov](#).
- For more information, visit [www.dhs.gov](#).

#### Important Dates

Sept. 24, 2019

Final rule published in the Federal Register.

Effective date: Jan. 1, 2020.

For more information, visit [www.dol.gov](#).

For more information, visit [www.dhs.gov](#).

The Department of Labor final overtime rule became effective Jan. 1, 2020. Among other things, the final rule also allows employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10% of the salary level if these payments are made at least on an annual basis. To enable compliance with the nondiscretionary bonus option, the final rule allows employers to make a "catch-up" payment at the end of each 52-week period. [Read more now.](#)