



# A SMALL BUSINESS OWNERS GUIDE TO: **COVID-19 FFCRA & CARES ACTS**



## **EMERGENCY PAID CHILD CARE (FMLA) - TAX CREDIT**

- Eligible to employers whose employees are unable to work in order to care for a child <18.
- Employer Medicare portion of paid leave plus cost of employer health insurance for employees on leave, may be used as tax credit.
- Child Care Pay is exempt from Social Security employer tax.

**LIMITS & ELIGIBILITY** - Employees are paid at 2/3 of their regular pay with a daily limit of \$200 and an annual limit of \$10,000. Available through 12/31/20.

Employees must work 30 days (min.) to be eligible, regardless of the # of hours worked.



## **EMERGENCY PAID SICK LEAVE ACT - TAX CREDIT**

- Employees are eligible for paid sick leave, if sick or under a COVID-19 quarantine.
- Employers receive a tax credit in the amount of total paid sick leave gross pay, plus employer portion of Medicare sick pay & employer insurance cost(s) for those on sick leave.
- Sick pay is exempt from Social Security employer tax.

**LIMITS & ELIGIBILITY** - Eligible to all employees and limited to 80 hours of pay (max). Sick pay for self-care is paid at regular pay scale with a daily limit of \$511.

Limited to \$5,110 annually. Sick pay for care of family members is paid at 2/3 of regular pay w/a daily limit of \$200. Limited to \$2,000 annually and through 12/31/20.



## **EMPLOYEE RETENTION CREDIT - TAX CREDIT**

- Intended to keep eligible employees on payroll; giving employers a 50% payroll credit that is applicable to wages paid after 3/12/20 through 12/31/20.
- Tax credit equals 50% of gross pay & employer health insurance costs.

**LIMITS & ELIGIBILITY** - Tax credit limit of \$5K per employee.

**NOT eligible to employers taking an SBA loan.** Employers with up to 100 employees, are eligible for the credit on all employee wages. Employers with over 100 employees are eligible for the credit on wages paid for employees who aren't working due to COVID-19



## **SOCIAL SECURITY EMPLOYER TAX DEFERRAL**

- Social Security employer tax payment to the IRS can be deferred to 2 equal installments due 12/31/2021 and 12/31/2022

**LIMITS & ELIGIBILITY** - Employer **NOT** eligible w/debts forgiven from SBA PPP loans.



## **SMALL BUSINESS LOAN**

- Designed for a small biz to get a forgivable loan to finance payroll and other expenses.
- A portion or full loan will be forgiven if 75% is used to cover payroll & operating expenses.

**LIMITS & ELIGIBILITY** - Limited up to 2.5x average monthly payroll plus, Economic Injury Disaster Loans (EIDL) and any advance loans received.

**NOT eligible for loan forgiveness if Social Security Employer Tax Deferral is applied.**