



UPDATED April 2, 2020

To Our Valued Clients:

With the recent enactment of the Families First Coronavirus Response Act (FFCRA), we understand that there might be confusion regarding the different types of leave and how you should be coding it through payroll so that you are able to claim the applicable tax credits. With that in mind, HR One has been working behind the scenes to create specific earning codes that will make it easy for you to differentiate between the types of leave and accurately track the hours and dollars associated with each. The FFCRA takes effect April 1, and is for leave taken between April 1 and December 31, 2020 only. Any leave paid for days outside of that window are not eligible for the credit. Below is a list of the specific earning codes available, and what scenario they apply to directly from the IRS guidelines:

### **CRASick-Coronavirus Response Act Sick Leave**

Use this code in this scenario: “For an employee who is unable to work because of Coronavirus quarantine or self-quarantine or has Coronavirus symptoms and is seeking a medical diagnosis, eligible employers may receive a refundable sick leave credit for sick leave at the employee's regular rate of pay, up to \$511 per day and \$5,110 in the aggregate, for a total of 10 days.”

The system will automatically track the amounts for credit purposes and apply them to your current payroll liabilities, lessening the amount owed.

### **CRADep-Coronavirus Response Act Dependent Care Leave**

Use this code in this scenario: “For an employee who is caring for someone with Coronavirus, or is caring for a child because the child's school or child care facility is closed, or the child care provider is unavailable due to the Coronavirus, eligible employers may claim a credit for two-thirds of the employee's regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.”

The code will calculate hourly rates of pay at the 2/3 rate. For example, if you have an hourly employee with a regular hourly wage of \$15/hr and you put hours in using this code, the rate will change to \$10/hr. For salary employees, you will either need to convert them to an hourly rate based on their salary to get this to work, or calculate what 2/3 of their salary is and manually enter it as an amount in payroll. The system will NOT automatically reduce salary amounts.

**Continued...**

## **CRACHild-Coronavirus Response Act Child Care Leave**

Use this code in this scenario: “ In addition to the sick leave credit, for an employee who is unable to work because of a need to care for a child whose school or child care facility is closed or whose child care provider is unavailable due to the Coronavirus, eligible employers may receive a refundable child care leave credit. This credit is equal to two-thirds of the employee's regular pay, capped at \$200 per day or \$10,000 in the aggregate. Up to 10 weeks of qualifying leave can be counted towards the child care leave credit.”

The code will calculate hourly rates of pay at the 2/3 rate. For example, if you have an hourly employee with a regular hourly wage of \$15/hr and you put hours in using this code, the rate will change to \$10/hr. For salary employees, you will either need to convert them to an hourly rate based on their salary to get this to work, or calculate what 2/3 of their salary is and manually enter it as an amount in payroll. The system will NOT automatically reduce salary amounts.

## **CRAIns-Coronavirus Response Act Insurance Credit-Memo**

This is a “Memo” code, meaning it is only used for tracking purposes and does not pay an employee. It is to be used when an employer is maintaining health insurance coverage on an eligible employee during the leave period. It is not fully clear what will be able to be claimed as a credit at this time. Please work with your insurance provider and watch for further IRS guidance prior to using this code to ensure you are in compliance.

## **NYCOV19-NY Covid-19 Paid Leave**

This code is to be used for those that fall under the NY Paid Sick Leave for coronavirus reasons that took effect March 18<sup>th</sup>. The governor enacted regulations based on employer size and net income for sick leave requiring different amounts of paid sick leave. The Federal program has benefits that are more generous in most cases, so we would anticipate this code will not be used much once the federal benefits become effective.

---

We have also created a COVID-19 Resource Guide  
for our clients that can be found at:  
**[www.peopletopayroll.com/Coronavirus](http://www.peopletopayroll.com/Coronavirus)**

If you have any questions please contact our  
customer service team at (315) 252-9150.