

Special Rule Related to Tax on Employers

Description of Program and Relief

This section of the Families First Coronavirus Response Act (the “FFCRA”) exempts employers from employer-side Federal Insurance Contributions Act (“FICA”) (or employer-side taxes under the parallel social security system for railroads (“RRTA”)) taxes on wages paid under the sick leave and family leave provisions of the FFCRA. Specifically, employers do not pay any employer-side taxes on the wages they pay to employees under the Emergency Paid Sick Leave Act (Division E of the FFCRA) (the “EPSLA”) and the Emergency Family and Medical Leave Expansion Act (Division C of the FFCRA) (the “EFMLA”).

The amount of EPSLA- and EFMLA-related payroll credits are increased by employer-side Medicare taxes that the employer pays on EPSLA wages and EFMLA wages, respectively, to the extent the payment of such wages would entitle the employer to the refundable credits set out in Sections 7001 and 7003 of the FFCRA.

Government or Lead Agency

Department of the Treasury, through the Internal Revenue Service

Dates Available

Continuously upon enactment. This is a blanket exception from employer-side FICA (or RRTA) taxes on these amounts.

Eligibility Requirements/Restrictions

The employer must have employees who receive wages under the EPSLA or the EFMLA.