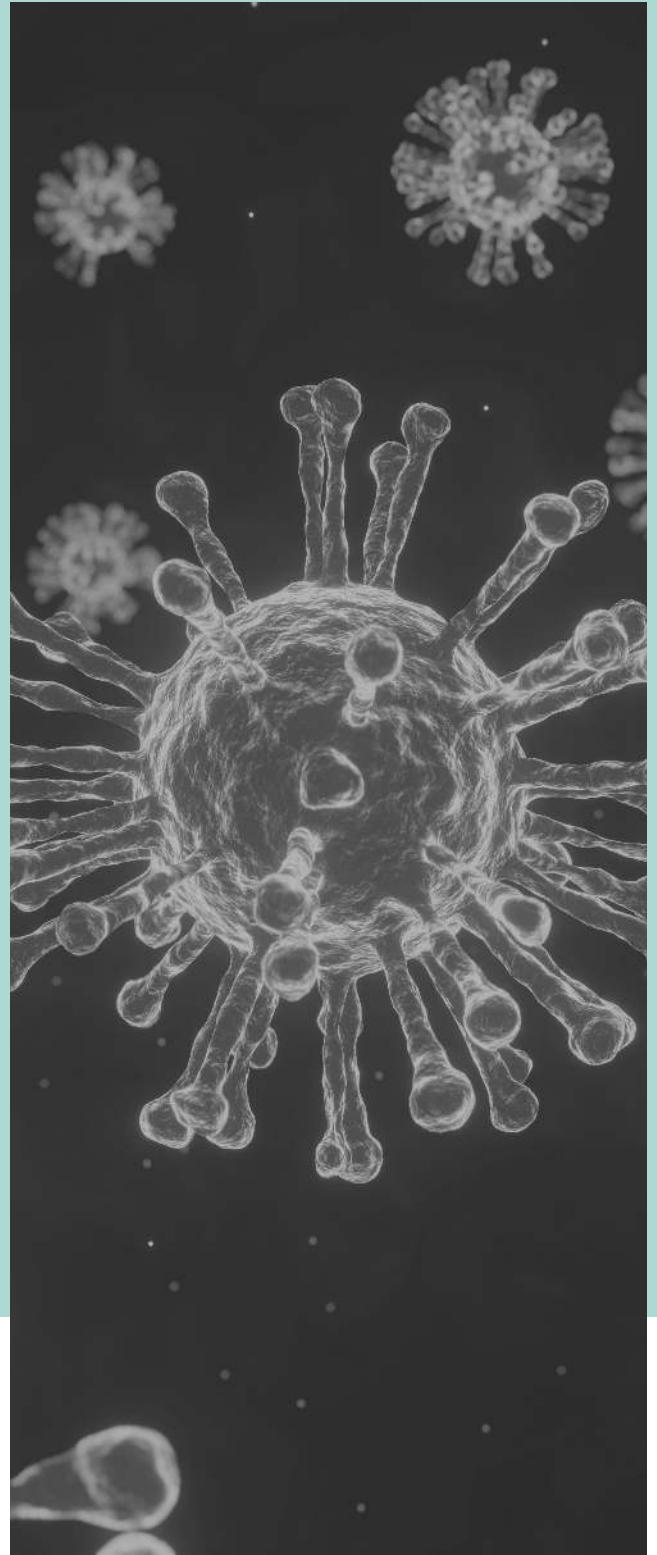


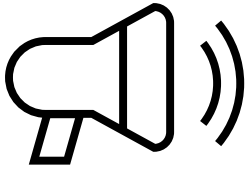
H.R. 1333 COVID-19 RELIEF BILL



**My HR
Professionals**

On December 27th, a new COVID-19 relief bill was signed into law to provide economic relief in response to the pandemic. The new law extends or modifies several economic assistances from the previous coronavirus related legislation.

Some highlights are listed below.



Employer Credit for Paid Sick Leave and Family Leave: FFCRA expired 12/31/2020 as a requirement but it became Optional for eligible employers.

Sec. 286. Extension of credits for paid sick and family leave. The provision extends the refundable payroll tax credits for emergency paid sick leave and expanded family leave (EPSL & EFMLA), enacted in the Families First Coronavirus Response Act (FFCRA), for leaves taken through March 31st, 2021. Highlights of the provision:

- Effective January 1st, 2021, eligible employers may continue to offer EPSL and EFMLA voluntarily to their employees.
- Employers who choose to continue to offer EPSL and EFMLA voluntarily must follow the current EPSL and EFMLA rules, including job protection.
- For employers who choose to continue to offer this paid benefit to their employees will not get a new balance of hours to use in 2021. Employees will only have available any unused balance remaining from 2020.

We will publish on our COVID-19 Resource page if the IRS and/or DOL provide additional clarifying guidance.

Next Steps for My HR Professionals Clients:

- If an employer opts to continue offering paid leave as enacted by the FFCRA, be mindful to apply it to all eligible employees.
- If an employer plans to continue offering this paid leave, eligible employees need to continue completing the 'Leave Submission Form' found within our COVID-19 resource page. Upon receiving this form, your payroll processor will continue to confirm the leave's approval before processing payroll and notify you if there are no available hours to take.
- If you have Time & Attendance with My HR Professionals, the EPSL and EFMLA paid time options will remain active and continue to track available hours. If you decide to discontinue offering this paid leave, please notify My HR Professionals to disable these options.

THE PAYCHECK PROTECTION PROGRAM (PPP):

Creates a second loan from the Paycheck Protection Program, called a “PPP second draw” loan for smaller and harder-hit businesses, with a maximum amount of \$2 million. An additional \$284 billion is allocated for the PPP. In addition, PPP eligibility is expanded to include all nonprofits, including 501(c)(6) organizations. Businesses that already received a PPP loan will be eligible to get a second one under the new terms. Some PPP funds will be set aside for the smallest businesses and community-based lenders and provide \$20 billion in Economic Injury Disaster Loans grants for smaller businesses.

If you have questions regarding the PPP loan process, please contact your lender for additional information. My HR Professionals can provide you with payroll reports upon request.

HEALTH AND DEPENDENT CARE FLEXIBLE SPENDING ARRANGEMENTS:

The bill allows for rolling over unused amounts in health and dependent care flexible spending arrangements from 2020 to 2021 and 2021 to 2022. Employers can also allow employees to make a 2021 mid-year future change in contribution amounts.

EXPANDED UNEMPLOYMENT INSURANCE:

The bill extends two Coronavirus Aid, Relief, and Economic Security Act (CARES Act) unemployment programs for 11 weeks and provides \$300 per week for all workers receiving unemployment benefits through March 14, 2021. The bill also extends the Pandemic Unemployment Assistance (PUA) program and the Pandemic Emergency Unemployment Compensation (PEUC) program.

EMPLOYEE RETENTION TAX CREDIT:

The bill extends and improves the Employee Retention Tax Credit through June 30, 2021. The credit rate is increased from 50% to 70% of qualified wages; expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and provides a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility; increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees, and allows businesses with PPP loans to qualify, among other changes. Keep in mind, PPP loan forgiveness may impact eligibility for this tax credit.

DEFERRED PAYROLL TAXES:

On August 8, 2020, the President of the United States issued a memorandum to allow employers to defer withholding employees' share of social security taxes from September 1, 2020, through December 31, 2020. It required employers to increase withholding and pay the deferred amounts ratably from wages and compensation paid between January 1, 2021, and April 31, 2021. Beginning on May 1, 2021, penalties and interest on deferred unpaid tax liability will begin to accrue. This bill extends the repayment period through December 31, 2021 and penalties and interest on deferred unpaid tax liability will not begin to accrue until January 1, 2022.

For full text of bill go to: <https://www.congress.gov/bill/116th-congress/house-bill/133/text>