

Federal & California Covid-19 Supplemental Paid Leave

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Introduction

Here is the latest on Covid-19 Paid Sick Leave:

Federal Leave Extension

The American Rescue Plan was signed on March 11, 2021. This affected the already existing Families First Coronavirus Response Act (FFCRA) expanding the prior tax credit period from March 31, 2021, to September 30, 2021.

The plan does not require employers to provide paid leave. However, the plan does **expand the qualifying reasons** for employee leave and the wage & tax credits available to employers for providing leave.

It also **resets the balance of EPSL to 80 hours** for eligible employees as of April 1, 2021. If an employee has exhausted the original two weeks before April 1, employers have the option to provide such employee an additional two weeks of EPSL for use between April 1, 2021 and September 30, 2021.

[Click here for more information.](#)

California Covid-19 Supplemental Paid Sick Leave

Employers with **25 or more employees** are required to provide paid sick leave to their employees. The law will apply **retroactively** to January 1, 2021 and will expire September 30, 2021.

That means an employee is entitled to be paid retroactive payment for qualifying leave taken between January 1, 2021 and the effective date of this law, that was not compensated by the employer in an amount equal to or greater than required by this law. The number of hours paid retroactively count toward the total number of hours available to the employee.

Does CA Covid-19 SPSL count towards FFCRA tax credits?

According to The National Law Review, you can credit hours taken under the FFCRA since January 1, 2021 towards California Covid-19 SPSL if the leave is categorized under a related reason between the two laws. See the example they use below:

[“Crediting Leave Paid for Covered Absences Taken Since January 1, 2021](#)

Excluding regular paid sick leave (PSL), the bill authorizes an employer to **credit towards COVID-19 SPSL** (Supplemental Paid Sick Leave) the hours of other paid leave the employer provided to employees on or after January 1, 2021, for absences **taken for the same COVID-19–related reasons** as those contained in the bill.

For example, if an employer already extended and the employee used 3 hours of leave taken under the Families First Coronavirus Response Act (FFCRA) on or after January 1, 2021, a full-time employee would be entitled to 77, not 80, hours of COVID-19 SPSL. Employers may not credit paid leave they provided employees for COVID-19–related reasons in 2020.”

[-The National Law Review](#)

How many supplemental paid sick leave hours am I required to give my employees?

Full-Time

Full-time employees are entitled to **80 hours of COVID-19 supplemental paid sick leave**, if the covered employee satisfies either of the following criteria:

“(i) The employer considers the covered employee to work full time.

(ii) The covered employee worked or was scheduled to work, on average, at least 40 hours per week for the employer in the two weeks preceding the date the covered employee took COVID-19 supplemental paid sick leave.”

Part-Time

A part-time employee is entitled to **a calculated amount** of COVID-19 paid sick leave based on the employee’s hours of work as follows:

“(i) If the covered employee has a normal weekly schedule, the total number of hours the covered employee is normally scheduled to work for the employer over two weeks.

(ii) If the covered employee works a variable number of hours, 14 times the average number of hours the covered employee worked each day for the employer in the six months preceding the date the covered employee took COVID-19 supplemental paid sick leave. If the covered employee has worked for the employer over a period of fewer than six months but more than 14 days, this calculation shall instead be made over the entire period the covered employee has worked for the employer.

(iii) If the covered employee works a variable number of hours and has worked for the employer over a period of 14 days or fewer, the total number of hours the covered employee has worked for that employer.”

What is the Compensation Rate?

“The rate of pay for the leave for non-exempt employees shall be calculated by the highest of the following:

The employee’s regular rate of pay for the workweek in which the employee uses the leave.

A formula of dividing the covered employee’s total wages not including overtime by the employee’s total hours worked in the full pay period of the prior 90 days of employment

The state minimum wage

The local minimum wage to which the employee is entitled”

– The National Law Review


[Click here for full article.](#)

Federal & State Sick Leave Reasons

Review each reason carefully. If you are paying CA Covid-19 Supplemental Paid Leave and want to take credits from the FFCRA, you will need to ensure the reasons for the leave are available for both federal and state. Not all reasons match up perfectly and we cannot advise in this area.

CA Covid-19 Supplemental Paid Sick Leave	Federal (Employer tax credit cap of \$511/day)	Federal (Employer tax credit cap of 2/3 of employee's regular pay, up to \$200/day)
(A) The covered employee is subject to a quarantine or isolation period related to COVID-19 as defined by an order or guidelines of the State Department of Public Health, the federal Centers for Disease Control and Prevention, or a local health officer who has jurisdiction over the workplace. If the covered employee is subject to more than one of the foregoing, the covered employee shall be permitted to use COVID-19 supplemental paid sick leave for the minimum quarantine or isolation period under the order or guidelines that provides for the longest such minimum period.	1) Subject to state, federal or local quarantine or isolation order due to Covid-19.	
(B) The covered employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.	2) Advised by a health care professional to self-quarantine due to concerns related to Covid-19.	
NEW: (C) The covered employee is attending an appointment to receive a vaccine for protection against contracting COVID-19.	NEW: Obtaining immunization related to COVID-19	
NEW: (D) The covered employee is experiencing symptoms related to a COVID-19 vaccine that prevent the employee from being able to work or telework.	NEW: Recovering from any injury, disability, illness, or condition related to such immunization	
NEW: (E) The covered employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.	3) Experiencing Covid-19 symptoms and is seeking a medical diagnosis	
NEW: (F) The covered employee is caring for a family member, as defined in subdivision (c) of Section 245.5, who is subject to an order or guidelines described in subparagraph (A) or who has been advised to self-quarantine, as described in subparagraph (B).		4) Caring for an individual who is subject to a quarantine or isolation order, or has been advised by a health care provider to quarantine due to Covid-19
NEW: (G) The covered employee is caring for a child, as defined in subdivision (c) ((regardless of age)) of Section 245.5, whose school or place of care is closed or otherwise unavailable for reasons related to COVID-19 on the premises.		5) Caring for a child (under the age of 18) because schools or places of childcare have closed
	NEW: Seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and such employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis	

		6) Experiencing other conditions substantially similar to Covid-19 as specified by the U.S. Department of Health and Human Services
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EPSL is available for up to two weeks when an employee is unable to work (or telework) because the employee is:

Employer tax credit cap of \$511/day

- Subject to state, federal or local quarantine or isolation order related to COVID-19
- Advised by a health care professional to self-quarantine due to concerns related to COVID-19
- Experiencing COVID-19 symptoms and is seeking a medical diagnosis
- **NEW:** Seeking or awaiting the results of a test for COVID-19 (and the employee has been exposed to COVID-19) or the employee's employer has requested such test or diagnosis
- **NEW:** Obtaining the COVID-19 vaccination
- **NEW:** Recovering from the COVID-19 vaccination

Employer tax credit cap of 2/3 of employee's regular pay, up to \$200/day

- Caring for an individual who is subject to a quarantine or isolation order, or has been advised by a health care provider to quarantine due to COVID-19
- Caring for a child (under the age of 18) because schools or places of childcare have closed
- Experiencing other conditions substantially similar to COVID-19 as specified by the U.S. Department of Health and Human Services

“(2) RULES OF APPLICATION.—

“(A) IN GENERAL.—For purposes of determining whether wages are qualified family leave wages under paragraph (1)—

“(i) section 110(a)(2)(A) of the Family and Medical Leave Act of 1993 shall be applied by inserting ‘or any reason for leave described in section 5102(a) of the Families First Coronavirus Response Act, or the employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and such employee has been exposed to COVID-19 or the employee’s employer has requested such test or diagnosis, or the employee is obtaining immunization related to COVID-19 or recovering from any injury, disability, illness, or condition related to such immunization’ after ‘public health emergency’ and

<https://www.congress.gov/bill/117th-congress/house-bill/1319/text#toc-HE24878B63D53452187E51E1D6709A67F>

Senate Bill 95

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=20210220SB95

<https://www.fisherphillips.com/resources-alerts-california-enact-new-covid19-supplemental>

The above information was compiled by Datatech staff and provided for informational purposes only. Please see links to bill text for official Covid leave law information.

New Reasons

When the FFCRA came into law, the qualifying reasons were outlined using numbers 1-6:

https://www.dol.gov/sites/dolgov/files/WHD/posters/FFCRA_Poster_WH1422_Non-Federal.pdf

At this time, numbers for the new reasons have not been established. As the new reasons fall under the wage limit of \$511/day, you may currently code the leave reason using 1, 2, or 3. We will release updates to this as more information is released from the DOL and IRS.

What law does your Covid leave fall under?

As mentioned in the preceding information, California Covid Leave is mandatory for employers with more than 25 employees. However, if the leave *also* falls under the FFCRA, you may receive Federal tax credits for the wages & Medicare taxes for the Covid leave.

Therefore, if you want to track your leave for 941/943 credits, your Covid leave should be coded under the Federal leave reasons. Datatech software will now reduce the CA Covid Sick Leave balance when wages are paid for Federal reasons 1-5 that have a related CA Covid leave reason.

The exceptions to leave being concurrent between the two laws include (but may not be limited to):

- The FFCRA only applies to employers with under 500 employees at the time the Covid leave is taken.
- The 'reason for leave' has to be related between the two laws to both reduce the CA Covid leave and receiving Federal wage & tax credits.
- The FFCRA has caps on the amount of wages you can receive wage & tax credits on. However, there is no cap on the wages under the state law.

Business may find themselves in the following situations:

1. More than 500 employees – Doesn't qualify for FFCRA wage & tax credits, all Covid sick leave is tracked under the California leave reasons.
2. Under 500 employees – Can qualify for FFCRA. When leave is taken, if for a related reason between the laws, code under the respective federal code and state balances will be reduced.

For reasons and wages* that do not fall into the FFCRA, a CA Covid reason should be used to track the CA Covid Sick Leave balance available to the employee.

*See note on FFCRA wage cap in Entering Checks for Covid-19 Paid Leave section.

3. You may fall into either category depending on your volume of employees at the time leave is taken. You will need reasons set up for both federal and state leave. If you qualify for credits under the FFCRA when leave is taken, use the federal codes. If your employee count is over 500 employees at the time leave is taken use the state reason. See the section *Employee Threshold* for more information on determining the numbers of employees working at any given time.

What Do You Need to Do in Your Software?

The setup required depends on what you have done in the past:

You have set up Federal Covid but Not State

1. Add a new wage type for California Covid leave (for leave that does not fall under the FFCRA or over the cap)
2. Add the CA Covid Leave on the Paid Leave Setup Table
3. Set your CA Covid Leave balances

You have set up both Federal & State

1. Reset your CA Covid Leave balances

You have done nothing

1. Set up your Federal Covid Leave (use wizard)
2. Set up a wage type for CA Covid leave (federal is done through the wizard)
3. Set up your CA Covid leave on the Paid Leave Setup Table
4. Set up your CA Covid Leave balances

The following pages will take you through the necessary setup.

Set Up CA State Wage Type

A separate wage type must be used if you need to pay out California Covid sick leave and are not applying the wages under a federal Covid leave reason.

As mentioned in our recent blog, Covid leave paid out under the FFCRA counts toward CA hours as long as the reason is related. Therefore, in paying out Covid leave hours, if you are able to take the FFCRA tax credits, use the Wage Type and/or Job ID as identified in your Covid Leave table for the Federal Covid reason. You need to use the appropriate leave reason for future 941/943 calculations and W-2 statements.

1. To identify the wages separately as California Covid-19 Leave, you need to **set up a new Wage Type**. This code must be separate from the Federal Leave code because wages paid under the state law are taxable.

Go to **Payroll > Setup > Wage Types**


The screenshot shows the 'Payroll Wage Types' window. The 'Code' field is set to 'CC'. The 'Base Pay Type' dropdown is set to 'Paid Leave'. The 'Active' checkbox is checked. The 'Description' field is 'California Covid Leave'. The 'Check Stub' section has 'Check Stub Description' as 'CA Covid', 'Spanish' as 'CA Covid', 'Summary Description' as 'CA Covid', and 'Summary Spanish Description' as 'CA Covid'. The 'Summarize To' dropdown is set to '<>'. The 'Combine Lines with Different Rates on Summary' checkbox is unchecked. The 'H-2A Hours Offered/Not Worked' checkbox is unchecked. The 'Check Calculations' section has 'Overtime Factor' set to '1.00', 'Apply Factor to Wages' checked, 'Pair Code' empty, 'Include in Regular Rate of Pay Calculations' checked, 'Minimum Wage' set to 'No', and 'Shift Differential' set to '0.00'. The 'Tax Calculations' section has 'Memo Wages' unchecked, 'Withhold State Income Tax' checked, 'Withhold Local Tax' checked, 'Withhold Federal Income Tax' checked, 'Withhold SDI/F&ML' checked, 'Worker's Comp Expense' checked, 'Social Security/Medicare' checked, 'Subject to SUI Tax' checked, 'IRA/401(k) Wages' checked, 'Employer Social Security' checked, and 'Subject to FUI Tax' checked. The 'W-2 Code, Box 12' dropdown is set to 'None', 'Pre-Tax Offset Code' is empty, 'Other Income Type' dropdown is set to 'None', and 'Export Wage Code' is empty. The 'Miscellaneous' section has 'Report Order' set to '0' and 'Billing Unit Type' empty. 'Save' and 'Clear' buttons are at the bottom.

Enter a two digit Code, select the Base Pay Type as **Paid Leave** and enter Descriptions as desired.

As California Covid Leave (when not applicable under FFCRA) does not provide any tax exemptions, do not change the Tax Calculation settings. Click Save to save the new code.

Set Up CA Covid-19 Paid Leave Type

The Paid Leave Type Setup is located under **Payroll > Setup**. Depending on what you have previously set up, you may need to add or edit the entries on this window.



Description	Leave Type	Wage Type	G/L #	Cost ID	Job ID	RROP # Days
Covid 19 Leave 1-3 + New (<\$511)	EPSL 1	CL	352.60		PSL1	180
Covid 19 Leave 4-6 (< \$200 day)	EPSL 4	CL	352.60		PSL4	180
Extended Family Leave (<\$200 day)	FMLA+ (Paid)	EP	352.60		EFPL	0
California Covid (No FFCRA Credit)	California Covid	CC	601.00		CACOVID	0
			0.00			0

If you have just set up a new wage type for California Covid Leave, add a new line to the table to define the Description, Leave Type, Wage Type, GL #, and optionally the Cost ID & Job ID used for California Covid Leave (that will not apply to FFCRA)

New for 2021: Numbers for the new Covid sick leave reasons have not been defined. Therefore, you may use the Leave Type of 1-3 for the new reasons, as this is the category that the reasons will fall under for W-2 Statement printing. In the example above, the description was edited to include New Reasons, so you may use an existing type for those leave reasons.

At a minimum you should have defined:

1. A leave type for when an employee takes leave for federal reasons 1-3, or the new reasons added this year. These wages must be under \$511 per day for FFCRA credits.
2. A leave type for federal reasons 4-6. These wages are capped at 2/3 of an employee's regular pay up to \$200 a day for FFCRA credits.
3. A leave type for Extended Family Leave (<\$200 day).
4. Lastly, you will need a line for **California Covid (No FFCRA Credit)**. This line is for any reason allowed under the CA Covid Leave that is not covered by the Federal leave and therefore is taxable and does not qualify for a tax reimbursement.

In addition to tracking CA Covid Sick Leave balances on employee check stubs, the federal Covid leave reasons are used for 941/943 credits (sick and family leave are credited separately) and W-2 statements (wages are separated between the applicable daily cap rules).

Set or Reset California Covid Leave Hours

All employers with more than 25 employees in California must provide Covid Sick Leave and print available balances on check stubs. This table will calculate hours due to the employee, hours used, and their applicable balance.

Go to **Payroll > Setup > California COVID-19 Leave Balance Setup**.

Account #	Last Name	First Name	Total	Used	Balance
1201	AYALA	JOHN	0.00	0.00	0.00
1439	MARTINEZ	JUAN	0.00	0.00	0.00
1593	FUENTES	GUADALUPE	0.00	0.00	0.00
1345	CASTRO	PEDRO	0.00	0.00	0.00
1307	BALTAZAR	VICTOR	0.00	0.00	0.00
1000	AYALA GARCIA	JUAN JOSE	0.00	0.00	0.00
1001	AYALA GONZALES	MARIA REY	0.00	0.00	0.00
1002	GARCIA	JUAN	0.00	0.00	0.00
1005	CEJA	DAVID	0.00	0.00	0.00
1004	LOPEZ	MARIA	0.00	0.00	0.00
1739	NUNO PEREZ	JORGE	0.00	0.00	0.00
1373	LINO	ARTUNO	0.00	0.00	0.00
8059	DIAZ	GREGORIO	0.00	0.00	0.00
3966	RODRIGUEZ	ADRIAN	0.00	0.00	0.00
1006	GARCIA	JORDAN	0.00	0.00	0.00
1050	GUTIERREZ LOPEZ	JOSE MANUAL	0.00	0.00	0.00
1009	LOPEZ	KYLE	0.00	0.00	0.00
1008	ROSAS	MARIA	0.00	0.00	0.00
1014	ALVARADO MARTIN	JOSE JESUS	0.00	0.00	0.00
1016	AVALOS	CARLOS GONZALEZ	0.00	0.00	0.00
1052	NYKOLA	MARIA	0.00	0.00	0.00
1105	HERNANDEZ	MARY	0.00	0.00	0.00
5000	HERNANDEZ ACOSTA	SALVADOR	0.00	0.00	0.00
4001	WALSH	MARY	0.00	0.00	0.00
4000	ORIELLY	JOHN	0.00	0.00	0.00

Auto Calc Avail/Used Auto 80/Calc Used Update Hours Used Start Over

In order to calculate hours for 2021, you must use the **Start Over** button. Please note this option will clear out ALL the information entered in this window and re-calculate it starting from January 1, 2021. You will lose any data you have entered and this cannot be undone.

1. Click **Start Over**.
2. Once you have a cleared table, click either **Auto Calc Avail/Used** or **Auto 80/Calc Used...**

Auto Calc Avail/Used

This option will calculate the available hours (up to 80) based on the average hours worked over the previous six months. If an employee was paid CA supplemental Covid Leave wages in 2021, the software will calculate the average from the six months prior to the day they took CA Covid Leave.

The AutoCalc uses the calculation method as the DIR outlined in FAQ #16:
<https://www.dir.ca.gov/dlse/FAQ-for-PSL.html>

In FAQ #29, the DIR instructs that employers using the Variable hour method (Auto Calc) only need to print the initial hour calculation on employee's check stubs and note the hours as Variable.

The program does not automatically re-calculate the hours each week. You may choose to run the Auto Calc/Avail Used option every week to keep the 6-month look-back average up-to-date, but are not required to do so.

2021 Covid-19 Supplemental Paid Sick Leave FAQs

Auto 80/Calc Used

This option will simply apply 80 hours of available Covid-19 wages to all employees that have worked, regardless of their previous hours.

In both methods, if you had previously paid California Covid OR EPSL 1-5 wages in 2021, the program will apply those hours to the Used hours and calculate the balance accordingly.

However, you may need to adjust the Used Hours if the ESPL reason does not match a state reason for leave.

For example, if an employee took leave for a child's school closure that was not related to COVID-19 on the premises, this would not deduct from the CA Covid hours.

Update Hours Used: This option is only used for updating the hours used column. You can use this option if you correct the paid leave type setup and only need to recalculate used hours. It will override any information currently entered in the Used Hours column based on your account leave setup.

If No Covid Pay:

- 1) The program will look back 182 days from the last Pay Period Ending Date recorded for the employee.
- 2) The hours worked will be compiled from these Base Pay Types:
 - Piecework - Includes P/W Hours
 - Reg Hours – Includes hours for Wage Codes set up to Reg Hours'
 - Overtime/Double Time – Includes hours from Wage Codes set to Overtime or Double Hours.
- 3) Take the total of the hours and divide by 182 days to get an average hours per day
- 4) Multiply the daily average hours per day by 14, to get a 2 week average hours total.

For example if an employee last received a check on 03/13/2021 and the Pay Period Ending Date is 03/06/2021, the pro

gram will go back to start the 6 month calculation at 09/05/2020.

Let's say an employee had 912 hours for that period, the calculation of the Available Covid Hours would be $912 / 182 = 5.01$ average per day. $5.01 \text{ hours} * 14 \text{ days} = 70 \text{ hours}$ available for Covid leave.

If Covid leave:

If there is Covid leave previously paid in 2021, then the same calculation will be made, however the starting date will be the date the leave was first paid.

If you don't enter daily time:

If you don't enter daily time the program can't accurately calculate the average hours in the manner defined in the law. You may manually calculate the hours and edit the California Sick Leave Balance table or simply use the Auto 80 Calc option.

AutoCalc Report

A report will generate to show each employee's history and how the Available Leave Hours were calculated.

Webinar Training Files							
California Covid Leave Calculations							
Acct #	EmployeeName	DatesWorked					Running
Check#	CheckDate	ReqHours	OTHours	DTHours	PWHours	TotalHours	Total
1005	CEJA, DAVID	08/24/2020 to 02/21/2021					
4031	02/25/2021	8.99	0.00	0.00	23.01	32.00	32.00
4060	01/21/2021	38.00	0.00	0.00	0.00	38.00	70.00
4051	01/21/2021	37.50	0.00	0.00	0.00	37.50	107.50
4026	01/01/2021	40.00	0.00	0.00	0.00	40.00	147.50
4025	12/18/2020	0.00	0.00	0.00	0.00	0.00	147.50
3087	11/12/2020	9.00	1.00	0.00	0.00	10.00	157.50
3072	09/18/2020	40.00	0.00	0.00	0.00	40.00	197.50
3025	09/07/2020	9.00	31.00	0.00	0.00	40.00	237.50
3009	06/23/2020	0.00	0.00	0.00	0.00	0.00	237.50
		182.49	32.00	0.00	23.01	237.50	
Average Hours/Day (182):						1.3	
Convert to Two Weeks (x 14):						18	
Leave Hours:						18	

New Hires & Rehires

New hires will have a starting balance of 80 hours until their hours are updated. The Rehire Employee window has a new field for CA Covid Leave Hours. If you have not calculated hours for that employee, no hours will appear. However, if a balance was previously calculated and/or leave taken after January 1, 2021, the program will enter those hours.

If nothing is entered, you need to update employee CA Covid Leave Hours.

The screenshot shows the 'Rehire Employee' window with the following fields and values:

- Name: ELVIA AVALOS
- Notes: (empty text box)
- Date Rehired: 04/05/2021
- Code: Rehired (dropdown menu)
- Description: Seasonal rehire
- Crew ID: 3
- Pay Rate: 14.00 (Hourly)
- ☐ Request ID Badge
- Sick Pay Plan ID: SP3
- Sick Pay Status: (button)
- Sick Pay Anniversary: 04/05/2021
- Sick Pay Available: 070521
- If date available has changed, it will not be updated until a check is created
- Prior Yr Carryover: 0.00
- Sick Pay Accrued: 0.00
- CA Covid Leave Hours: 80.00 (highlighted in yellow)
- Sick Pay Used: 0.00
- 2021 CA Covid Leave Paid: 0.00
- Unused Sick Pay: 0.00
- CA Covid Leave Balance: 80.00
- Buttons: Ok, Cancel

Updating CA Covid Leave Hours for New or Rehires

If you want to re-calculate Available Hours as employees work, you can use the *Auto Calc Avail/Used* option on the [California COVID-19 Leave Balance Setup](#) window. This will re-calculate all employees' available hours.

Optional: Run the *Auto Calc/Avail Used* option every week to keep the 6-month look-back average up-to-date. This will update new and rehire employees based on their hours worked.

Set Up Federal Covid-19 Paid Leave

If you have not set up both state and federal Covid-19 leave wage types in your Datatech program, you will use the Covid-19 Paid Leave Setup Wizard to set up the federal leave reasons.

Before using the Covid-19 Paid Sick Leave Setup Wizard

This wizard will assist with the initial setup needed to support making Covid-19 Paid Leave payments to employees. This includes setting up necessary G/L accounts, worker's comp table entries, wage types, and defining what cost centers and Job IDs are used to make Covid-19 related paid leave payments.

Note: *Before* using this wizard, we recommend setting up the Cost Centers/Crop IDs/Job IDs that you will use on employee check entry for Covid-19 paid leave.

For Labor Contractors:

Before using this wizard, you will need to perform 2 or 3 steps:

1. If you are a farm labor contractor, set up a grower account to enter Covid-19 paid leave wages on.
2. Create at least one Cost Center or Crop ID for Covid-19 paid leave.
3. Create at least one Job/Phase Code for Covid-19 paid leave.

Covid-19 Paid Leave wages, federal taxes, and qualified health care plan expenses are funded by the federal government. You don't need to charge your grower for these costs.

Grower Entry

We recommend setting up a grower account to charge all Covid-19 Paid Leave wages to. It can be as simple as the following:

The screenshot shows a software window titled "Grower Entry". It contains the following fields and controls:

- Account #: 1000 (with a dropdown arrow)
- Name Key: COVID-19 (with a dropdown arrow)
- Name: Covid-19 Paid Leave
- Additional Name: (empty field with a yellow background)
- Mailing Address: (empty text box)
- City/State/Zip: (three separate input boxes)
- Street Address: (empty text box)
- City/State/Zip: (three separate input boxes)
- Phone #1: (empty text box)
- Phone #2: (empty text box)
- Min. Piece Rate/Hour: (empty text box)
- Min. Hourly Pay Rate: (empty text box)
- Union: ☐ Union

Next, set up a Crop ID for Covid-19 wages:

[illegible]

Finally, set up one or more Job IDs for the Covid-19 paid leave. Here is an example:

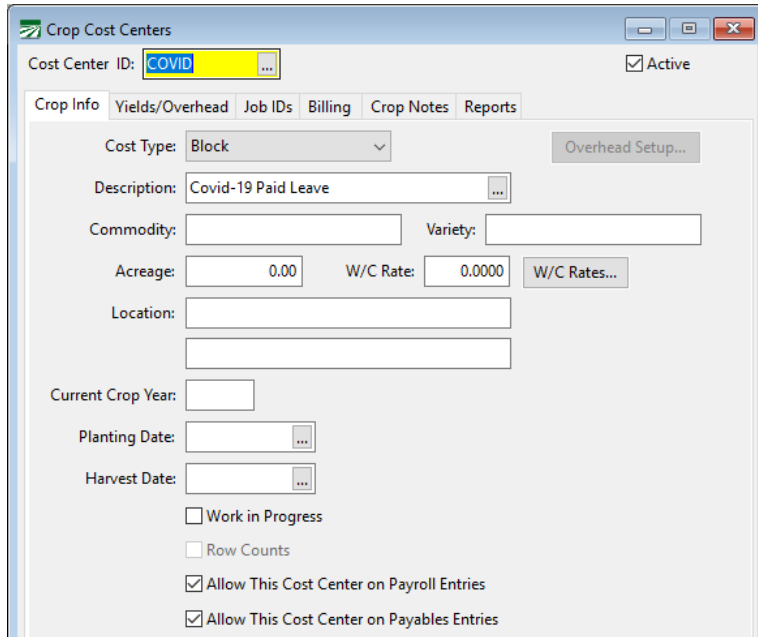
Additionally, you may only set up two different codes, one for Emergency Paid Sick Leave and one for Emergency Family Medical Leave. Or you might set up two codes, one for leave paid at 100% of the employee's regular rate of pay and one for leave paid at 66% the employee's regular rate of pay.

For Growers

Growers can set up cost centers and job codes to track Covid-19 leave. The process is similar to the instructions for labor contractors; the only difference is the windows used to set up the entries.

Cost Centers for Covid-19 Paid Leave

One or more cost centers can be set up:

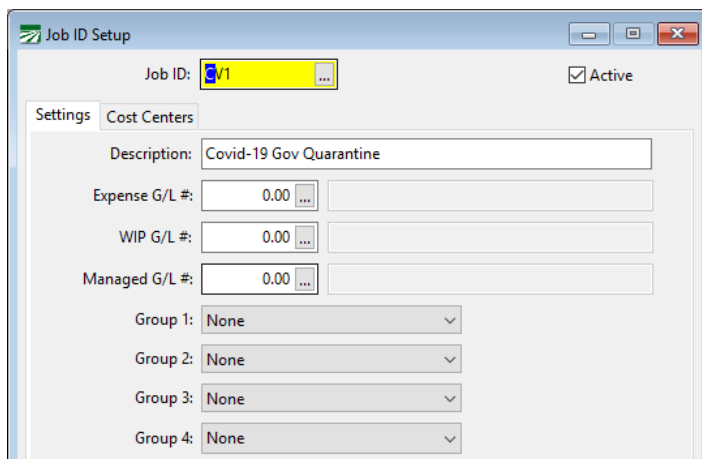


The screenshot shows the 'Crop Cost Centers' window. The 'Cost Center ID' is 'COVID' and it is marked as 'Active'. The 'Crop Info' tab is selected. The 'Cost Type' is 'Block'. The 'Description' is 'Covid-19 Paid Leave'. The 'Commodity' and 'Variety' fields are empty. The 'Acreage' is '0.00' and the 'W/C Rate' is '0.0000'. The 'Location' field is empty. The 'Current Crop Year' is empty. The 'Planting Date' and 'Harvest Date' fields are empty. The 'Work in Progress' and 'Row Counts' checkboxes are unchecked. The 'Allow This Cost Center on Payroll Entries' and 'Allow This Cost Center on Payables Entries' checkboxes are checked.

You may want to set up different cost centers for cost accounting purposes. For instance, you might want to have different overhead cost centers with different allocations. Or if you want to track Emergency Sick Pay Leave separately from the Emergency Family Medical Leave, you could set up two cost centers.

Job ID

One or more Job/Phase codes should also be set up:



The screenshot shows the 'Job ID Setup' window. The 'Job ID' is 'QV1' and it is marked as 'Active'. The 'Settings' tab is selected. The 'Description' is 'Covid-19 Gov Quarantine'. The 'Expense G/L #' is '0.00', the 'WIP G/L #' is '0.00', and the 'Managed G/L #' is '0.00'. The 'Group 1', 'Group 2', 'Group 3', and 'Group 4' dropdown menus are all set to 'None'.

Once you have finished these steps, you can complete the Covid-19 Paid Leave Setup Wizard.

Covid-19 Wizard

Go to **Payroll > Setup > Covid-19 Paid Leave Setup Wizard**. This wizard will help you set up wage types, general ledger accounts, worker's comp table entries, and leave definitions.

Please note you can only use this wizard one time. After that, all other changes must be made manually.

Page 2

Covid-19 Paid Leave Setup - Wage and Tax G/L Accounts

Covid-19 Contra-Liability Account Setup

New G/L accounts are needed for posting credits for wage, tax and qualified health plan costs.

Regular (941) Account #: 358.10

Reg (941) Description: Covid-19 Wage/Tax/QHP Credit

Ag (943) Account #: 360.00

Ag (943) Description: Covid-19 Wage/Tax/QHP Credit

Page 2 of 6

< Back Next > Close

The program will find two unused general account numbers to use for Covid-19 paid leave wages and tax credits. A default description will be provided for each account, which you can change if you like. If you want to enter a different G/L account number that is not currently in use, you can override the number selected by the program. Click **Next** when done.

Page 3

Covid-19 Paid Leave Setup - Paid Leave Wage Types

Paid Leave Wage Types

A new wage type must be used for Covid-19 paid leave. This wage type is not subject to employer Social Security tax. You can optionally create a different wage type for other types of paid leave your company may offer.

Covid Paid Leave...

☒ Create New Code: CL Covid-19 Paid Leave

☐ Use Existing

Other Paid Leave...

☒ Create New Code: PL Paid Leave

☐ Use Existing

Page 3 of 6

< Back Next > Close

Page three shows the wage type codes and descriptions proposed for paying Covid-19 paid leave. If you have already created a wage type to use for Covid-19 related leave, you can click on the Use Existing option and select the wage type that you have already created.

The top wage type is **only** for use in paying Covid-19 Paid Leave. This wage type will be set up so that wages entered under it are not taxable for employer social security taxes.

The bottom wage type may be used if your company offers paid leave that is separate from existing sick pay, vacation pay, PTO, and the Covid-19 paid leave. This might be used in cases where your company is exempt from the Covid-19 paid leave requirement but you want to offer employees your own paid leave option.

When creating new wage types, you can change the codes and descriptions as long as the code that you enter has not already been used (for example, you can't enter "CO" for the Covid-19 paid leave code because that is already used by the Commission wage type).

Click Next to proceed.

Page 4

Covid-19 Paid Leave Setup - Cost Centers

Select Covid-19 Leave Cost Centers

Select any cost centers you have created to use for Covid-19 paid leave and add them to the list.

Crop ID: ...

Add

Crop ID	Description
COVID	Covid-19 Paid Leave

Page 4 of 6

< Back Next > Close

Page 4 will let you select the Crop ID(s)/cost center(s) that you have set up specifically to use when paying Covid-19 paid leave.

Enter each ID and then click on the **Add** button to add it to the list.

Click Next *after* all ID's have been added to the list.

Page 5

Covid-19 Paid Leave Setup - Job IDs

Select Covid-19 Leave Job IDs

Select any job IDs you have created to use for Covid-19 paid leave and add them to the list.

Job ID: ...

Add

Job ID	Description
CV1	Covid-19 Gov Quarantine
CV2	Covid-19 Health Care Quarantine
CV3	Covid-19 Diagnosis
CV4	Covid-19 Care/Other
CV5	Covid-19 Care/Child
CV6	Covid-19 Other

Page 5 of 6

< Back Next > Close

On page 5, select all of the Job ID's you will use in paying Covid-19 paid leave. This operates the same way as the previous page.

Enter the Job ID and click **Add** to add the code to the list. When you are done adding the ID's to the list, click Next.

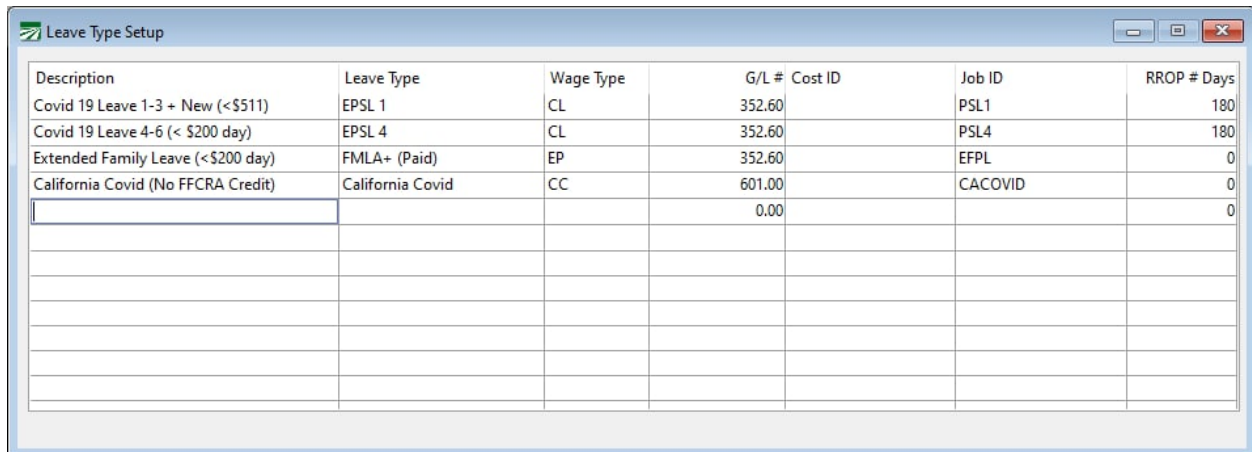
Page 6 (Final Page)

The final page will display a summary of the actions to be performed. After reviewing this, click **Finish** to complete the wizard and performed the actions listed.

When you select the option to use an existing wage type for your Covid-19 paid leave wages, the program will look for any checks issued from 4/1/20 on that have used that wage type. If it finds any, it will automatically run the Payroll Audit to adjust the total employer social security wages. Depending on the number of employees and checks you have so far this year, this process could take several minutes.

Note: If you have updated any Payroll Journals with those wages, you will need to unfinalize those journals and refinalize them. When the Payroll Journal is refinalized, it will recalculate the employer portion of the social security tax, exempting the Covid-19 Paid Leave wages from this calculation.

After completing the Covid-19 Paid Leave Setup Wizard, the Leave Type Setup Window will open:



Description	Leave Type	Wage Type	G/L #	Cost ID	Job ID	RROP # Days
Covid 19 Leave 1-3 + New (<\$511)	EPSL 1	CL	352.60		PSL1	180
Covid 19 Leave 4-6 (< \$200 day)	EPSL 4	CL	352.60		PSL4	180
Extended Family Leave (<\$200 day)	FMLA+ (Paid)	EP	352.60		EFPL	0
California Covid (No FFCRA Credit)	California Covid	CC	601.00		CACOVID	0
			0.00			0

This table is created automatically by the wizard. It defines the codes used by paid leave wages and identifies what type of wages they are.

Entering Checks for Covid-19 Paid Leave

We recommend you establish a separate workflow to enter and print checks for Covid-19 Paid Leave. Printing checks in a separate batch will help keep them separate from checks that need to be distributed to current working employees.

If you print regular payroll checks separate from paid leave checks, make sure that you do not make a payroll tax deposit after running your regular payroll. Finish issuing all checks including paid leave for the week so that you can take a credit for the paid leave wages and taxes against your total tax liability.

(For farm labor contractors, since the wages are not being billed to a grower, you do not need paid leave checks processed before you do the Grower Labor Reports and your regular grower billing workflow.)

The Batch Check Entry window should be used for entering paid leave. The Calculate Sick Pay Rate feature on the Batch Check Entry window has been enhanced to calculate employees' regular rate of pay over the past 180 days. This feature is not available in Daily Payroll. In addition, if you need to adjust miscellaneous deductions while the employee is on leave, you can do this immediately after entering the paid leave wages.

Here is an example of a check where an employee takes leave starting on April 1. This check includes regular wages in March and paid leave starting on April 1:

Batch Payroll Check

Account #: 1 Name Key: DAVIDIAN MATT S.S. #: 568 82 2111 Control #: 5

Name: DAVIDIAN, MATT Pay Period Starting: 03/29/2020

Pay Type: Hourly Rate: 0.00 Type: Regular (941) Ending: 04/04/2020

Gross Wages Recap

Date	G/L # >>	Job ID >>	Cost ID >>	Year	Grower >>	Type >>	P/W Hrs	Units	Rate	Amount
03/30/2020	601.00	101				0 RH	0.0000	8.0000	14.0000	112.00
03/31/2020	601.00	101				0 RH	0.0000	8.0000	14.0000	112.00
04/01/2020	358.10	CV2	COVID			0 CL	0.0000	8.0000	16.6100	132.88
04/02/2020	358.10	CV2	COVID			0 CL	0.0000	8.0000	16.6100	132.88
04/03/2020	358.10	CV2	COVID			0 CL	0.0000	8.0000	16.6100	132.88
	601.00	101				0 CP	0.0000	1.0000	100.0000	100.00
	601.00	101				0 PW	0.0000	-1.0000	100.0000	-100.00

G/L: Field Labor Wage Type: Regular Hours Gross Wages: 622.64

Cost Center: Thompson Grapes Piece Hrs/Units: 0.0000 0.00 Piecework Wages: 0.00

Job ID: (no Job ID code) Reg/OT/DT Hrs: 16.0000 Ins. Hrs: Minimum Wage: 0.00

Grower: (no grower) Total Hours: 16.0000 Mar.: 16.00 Crew #: 0

Apr.: 24.00 ☐ Hold

Copy Check Defaults Breaks Save Delete Clear

Where should I post wages for Covid-19 Paid Leave?

Applicable to Federal Tax Credits

If you are using a federal Covid leave reason, wages for Covid-19 paid leave should NOT be posted to an expense account. Since the federal government reimburses the wages, use one of the Covid-19 Leave credit accounts that were created by the [Covid-19 Setup Wizard](#).

If you have both 941 and 943 employees, you will have two accounts, one for each type of employee. The type of employee is shown on the Batch Check Entry window at the top, next to the Pay Rate.

If you are not sure what the account numbers are, you can go to Tools > Setup > Federal Tax Rate Tables and click on the G/L Accounts tab page to see the 941 and 943 Covid-19 Tax Credit Accounts.

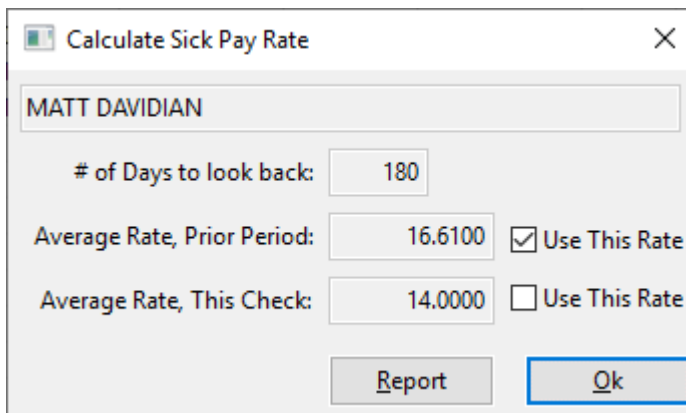
Not Applicable to Federal Tax Credits

You should only use the Covid-19 Tax Credit accounts for leave wage that are reimbursable by the federal government. If the leave does not qualify for FFCRA credits you should use your usual payroll wage expense account(s) as desired.

As mentioned previously, if you are paying wages that fall over the wage limits set in the federal law, you will need to separate the wages into two wage types. In you need to pay wages in this circumstance, please contact our support team for further instruction.

Calculate Sick Pay Rate

On the first Covid-19 Paid Leave line item that you enter, you can press **Ctrl+R** to open the Calculate Sick Pay Rate window, shown here:



Calculate Sick Pay Rate	
MATT DAVIDIAN	
# of Days to look back:	180
Average Rate, Prior Period:	16.6100 <input checked="" type="checkbox"/> Use This Rate
Average Rate, This Check:	14.0000 <input type="checkbox"/> Use This Rate
<input type="button" value="Report"/> <input type="button" value="Ok"/>	

When you press Ctrl+R on a line where you've entered a Paid Leave wage type, the program calculates the regular rate of pay for the past 180 days, rather than using the employee's sick pay plan to calculate a rate based on the plan's lookback period (typically 90 days).

Report

Click Report to preview a report showing the wages and hours used to determine the employee's regular rate of pay over the last 180 days. On the Print Preview window, you can click Save to save a PDF copy of the report.

Sick Pay Rate Report

The Sick Pay Rate Report will also calculate the two-thirds pay rate to be used when employees request leave to care for someone else that is quarantined or for their child. You can provide the Sick Pay Rate Report to the employee to show how their leave pay rate was calculated.

Paid Leave wages count as hours of service, so the hours will be included in the Insurance Hours totals by month at the bottom of the window.

Recap Tab

On the Recap tab page, you can see the breakdown of the wages, taxes, and miscellaneous deductions:

Gross Wages	
Salary:	0.00
Regular: 16.00	224.00
Overtime: 0.00	0.00
Doubletime: 0.00	0.00
Piecework: 0.0000	0.00
Bonus:	0.00
Commission:	0.00
Vacation: 0.00	0.00
Sick Pay: 0.00	0.00
Holiday: 0.00	0.00
Paid Leave: 24.00	398.64
Memo Wages:	0.00
Total Gross Wages:	622.64

Tax Deductions:	
Federal Income Tax:	4.57
Social Security:	32.40
Medicare:	7.58
State Income Tax:	5.85
CA SDI:	5.23
Withholding:	0.00
Total:	55.63

Miscellaneous Deductions:	
Advances:	0.00
Health Ins Pre-Tax:	100.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
Total Deductions:	100.00

Net Check: 467.01

The total Paid Leave hours and wages have been added below the Holiday wages in the Gross Wages section on the left side of the window.

Check Stub Printing

The California Supplemental Covid-19 Leave Balance will appear as "Covid Hours" below/after your normal sick leave balance, depending on which print settings you are using.

Sick Pay Plan: ACC2 01/01/20-12/31/20	
PY Carryover:	28.95
Accrued YTD:	4.95
Balance:	33.90
Available Now:	30.00
Avail. Next Year:	3.90
Covid Hours:	80.00

Variable Hour Check Stub Message

When the software prints the Covid Leave balance, if the initial hours calculated is below 80, it will print Variable on the check stub.

Crediting Hours Back to an Employee

If an employee previously received wages using their accrued sick leave, you may enter an adjustment to credit those hours back to the employee and re-categorize it.

Example

An employee missed a day of work due to being ill after a vaccine. The employee requested (and was paid) compensation for their sick leave balance of 6 hours. Because the leave is now available retro actively, the employee has requested their full 8 1/2 hour day be paid out under the California Supplemental leave law.

1. On a new check record, enter the previously paid sick leave as it was issued. However, you must enter the hours as a **negative**. Doing so will return the hours to the employee's accrued sick leave balance.
2. Then, enter a line using the correct coding for this particular Covid-19 Supplemental Paid Sick Leave.

Date	Cost ID >>	Job ID ...	G/L # >>	Grower >>	Type ...	P/W Hrs	Units	Rate	Amount	Equip #1 >>
02/17/2021	OFFICE	PSL1	605.00	0	SP	0.0000	-6.0000	14.0000	-84.00	
02/17/2021	COVID19	PSL1	352.60	0	CL	0.0000	8.5000	14.2600	119.00	

3. Remember to use the **Ctrl + R** tool to calculate the employee's rate of pay due for the Covid leave.

Calculate Sick Pay Rate

JUAN JOSE AYALA GARCIA

of Days to look back: 180

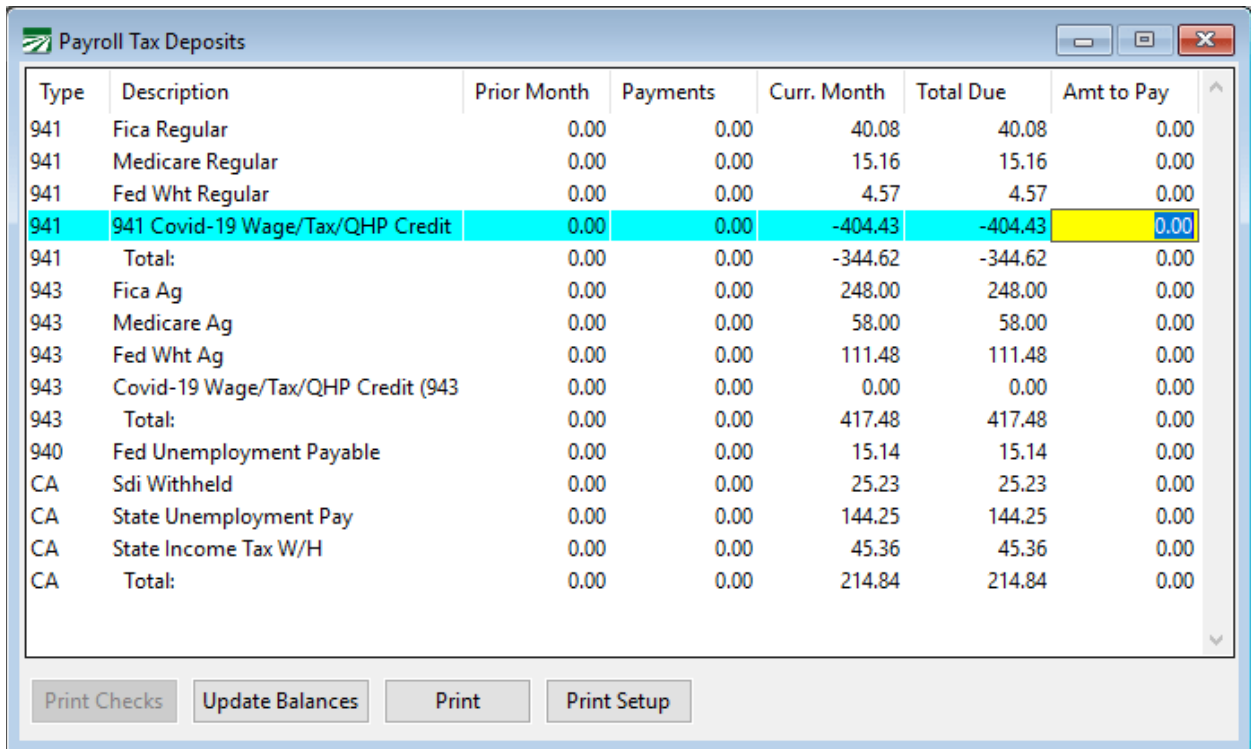
Average Rate, Prior Period: 14.2600 ☒ Use This Rate

Average Rate, This Check: 0.0000 ☐ Use This Rate

Report Ok

Covid-19 Wage & Tax Credits

After the Payroll Journal has been updated, the Covid-19 credits will be included on the Tax Deposit window:



The screenshot shows a window titled "Payroll Tax Deposits" with a table of tax deposits and credits. The table has columns for Type, Description, Prior Month, Payments, Curr. Month, Total Due, and Amt to Pay. The row for "941 Covid-19 Wage/Tax/QHP Credit" is highlighted in yellow, showing a credit of -404.43 in the Curr. Month and Total Due columns, and 0.00 in the Amt to Pay column. Other rows include Fica Regular, Medicare Regular, Fed Wht Regular, Fica Ag, Medicare Ag, Fed Wht Ag, Covid-19 Wage/Tax/QHP Credit (943), Fed Unemployment Payable, Sdi Withheld, State Unemployment Pay, and State Income Tax W/H.

Type	Description	Prior Month	Payments	Curr. Month	Total Due	Amt to Pay
941	Fica Regular	0.00	0.00	40.08	40.08	0.00
941	Medicare Regular	0.00	0.00	15.16	15.16	0.00
941	Fed Wht Regular	0.00	0.00	4.57	4.57	0.00
941	941 Covid-19 Wage/Tax/QHP Credit	0.00	0.00	-404.43	-404.43	0.00
941	Total:	0.00	0.00	-344.62	-344.62	0.00
943	Fica Ag	0.00	0.00	248.00	248.00	0.00
943	Medicare Ag	0.00	0.00	58.00	58.00	0.00
943	Fed Wht Ag	0.00	0.00	111.48	111.48	0.00
943	Covid-19 Wage/Tax/QHP Credit (943	0.00	0.00	0.00	0.00	0.00
943	Total:	0.00	0.00	417.48	417.48	0.00
940	Fed Unemployment Payable	0.00	0.00	15.14	15.14	0.00
CA	Sdi Withheld	0.00	0.00	25.23	25.23	0.00
CA	State Unemployment Pay	0.00	0.00	144.25	144.25	0.00
CA	State Income Tax W/H	0.00	0.00	45.36	45.36	0.00
CA	Total:	0.00	0.00	214.84	214.84	0.00

Buttons at the bottom: Print Checks, Update Balances, Print, Print Setup

The Payroll Journal will post the total of the wages and employer Medicare taxes. The Payroll Journal does not calculate credits for qualified health plans expense.

When you do your payroll tax deposit, you can enter the negative number for the Covid-19 credit in the Amt to Pay column. This will reduce your total tax deposit by the amount of the Covid-19 paid leave and Medicare taxes on those wages. There will be a separate credit amount for 941 and 943 employees.

941/943 Reporting

When you are preparing your 941 or 943 forms, please refer to the Help page for instructions on calculating the wage & tex credits.

Additional Recommendations

Leave Balances

While the program calculates CA Covid Sick Leave balances for check stub printing, it **does not notify you that an employee has used all of their leave when paying wages**. It also does not track Federal leave balances, which re-set on April 1st.

To help keep track of employees that are receiving paid leave, it may be helpful to assign employees to a unique department or crew #. Then, you can easily print a labor analysis report for those employees to review how much paid leave each employee has received and determine how much they have left. A separate cost center or job code used for ESPL vs. FMLA+ will help keep these two types of leave (and the maximum hours/weeks employees are allowed to take for each) separate.

Wage Cap

At this time, the program does not check to make sure that employees do not receive more than the maximum dollar amount per day as specified in the law. For now, you should check to make sure you are not issuing more paid leave under FFCRA than your company will be reimbursed for through tax credits.

History

For each employee, you may also want to add information to the employees Notes entry with the leave start and end dates. You can enable the option to display the employee's notes before entering Paid Leave checks.

Another approach is to set up a history code for Covid-19 paid leave and record the starting and ending dates for leave in the employee file, along with the regular rate of pay that was determined for the employee's leave.

Update Pay Rate by Wage Type

Once you have determined the regular rate of pay for the paid leave period, you may want to enter this on the employee's account Pay Rate entry. The Batch Check Entry window will automatically put this rate in the Rate column when entering additional paid leave lines.

For leave where the employee is taking care of someone else and receiving two thirds of their regular rate of pay, enter the two-thirds rate in the employee file. (We do not recommend entering the actual regular rate of pay on checks and using a wage type with an Overtime Factor of .66 or .67 as this can result in rounding errors.)

Employee Threshold

If your workforce is currently under 500 employees but you anticipate hiring more and going over this threshold at some point, you will need to keep track of the current number of employees carefully. Once your workforce is over 500 employees, your company is not eligible to be reimbursed for ESPL and FMLA+ wages.

The 'employee count' on the date that the employee starts the leave is used to determine whether or not your company is eligible for the ESPL and FMLA+ programs. If an employee requests leave for a future date and you anticipate that

your workforce will be over the 500-employee threshold, the employee may not be eligible for federal leave on that date.

The Labor Analysis Report can be used to check the number of employees you have on a given work date, but it can only be ran after you have issued checks. It can be used after the fact to establish that your workforce is below the 500-employee threshold

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