

Families First Coronavirus Response Act **Supporting the FFCRA with Viewpoint Products**

The purpose of this communication is to provide additional Viewpoint product-specific guidance regarding support of FFCRA.

Before getting into the product details, here are a few key elements of the FFCRA as we understand them:

- Effective April 1, 2020 through December 31, 2020;
- Requires certain employers to provide employees with expanded family and medical leave as well as additional paid sick leave for reasons related to COVID-19 as outlined under the Emergency Family Medical Leave Act (EFMLA) and Emergency Paid Sick Leave Act (EPSLA);
- Generally applies to employers with less than 500 employees;
- Differing rules apply based on each employee's situation and how they are affected, either directly or indirectly;
- Administered and enforced by the US Department of Labor's Wage and Hour Division;
- Employer relief for costs related to these additional benefits will be available from the IRS when making payroll tax deposits and/or quarterly tax filing (i.e. EFTPS, Fed 941)
- Note: the IRS has yet to provide final guidance and changes to FFCRA may be forthcoming. We will adapt our approaches detailed below as such information becomes available.
- Key resources for general information include:
 - [FFCRA Original Text @ US Library of Congress](#)
 - [US Dept of Labor FAQ](#)
 - [IRS Newsroom](#)

Should you have questions or wish to speak with a Viewpoint representative, please do not hesitate to contact Viewpoint Customer Support. Viewpoint will endeavor to provide current information and adjust our recommendations as Federal agencies (e.g., IRS, Dept. of Labor) refine their guidance. Please continue to watch our [COVID-19 Contractor Resources](#) website.

Spectrum

Official IRS guidance for complying with the Families First Coronavirus Relief Act has not yet been released. This document provides our recommendations to allow for full compliance once guidance has been released. Our understanding is that the leave under the act is not subject to the EmployER portion of FICA-Social Security, if this is confirmed by IRS guidance then changes to Spectrum programming to retroactively correct tax history will be required, and a VPX hot fix for Spectrum v14 will be released as soon as it is available.

This guide is broken into three parts:

1. Setup and payment for Emergency Paid Sick Leave (EPSL)
2. Setup and payment for Emergency Family and Medical Leave (EFML)
3. Use of existing reports to pay your EFTPS deposit and take the credit

Spectrum users will need to create new Payroll Departments for each of the leave types: **COVID1 for EPSL Employee Leave, COVID2 for EPSL Caretaker Leave, and COVID3 for EFMLA Leave**. Paying the leave under different departments will allow for reporting to be done after the fact for the different leave types.

1. Setup for Emergency Paid Sick Leave (EPSL)

Under EPSL, employees can receive up to 80 hours of paid time off in two categories. The first category allows for:

- A. An employee that is subject to a Federal, State or local quarantine or isolation order related to COVID-19;
- B. An employee that has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- C. An employee that is experiencing symptoms of COVID-19 and seeking a medical diagnosis.[1]

This category, which we refer to as “**EPSL Employee Leave**” allows for full pay for the employee up to \$511 per day.[2]

The second category allows for:

- D. An employee that is caring for an individual that is experiencing a) b) or c) from above;
- E. An employee that is caring for a son or daughter if the school or place of care has been closed due to COVID-19 precautions;
- F. An employee that is experiencing other conditions that the government will specify at a later date.[3]

This category, which we refer to as “**EPSL Caretaker Leave**” allows for 2/3rds pay for the employee up to \$200 per day.[4]

As new pay types cannot be added to Spectrum, it will be necessary to use other strategies to track this information.

Payroll Setup for COVID-19 EPSL

The first step is to create new payroll departments: **COVID1 for EPSL Employee Leave** and **COVID2 for EPSL Caretaker Leave**

The new departments can be created by navigating to Payroll | Maintenance | Department Expense and clicking on the **New** button:

Edit Department

Department code COVID1 COVID EPSL Employee Leave

Properties **Employer Expense** Direct Cost V/H/S Accrual

Description COVID EPSL Employee Leave

Properties

Direct cost Non-direct cost

Worker's compensation code 9999 EXEMPT

Salary / Wages

Salaries and wages	2706	COVID Leave
The Big One	2706	COVID Leave
Other earnings 2	2706	COVID Leave
Other earnings 3	2706	COVID Leave
PTO	2706	COVID Leave
Holiday	2706	COVID Leave
Sick	2706	COVID Leave
Miscellaneous	2706	COVID Leave
Retroactive pay	2706	COVID Leave
Equipment usage	2706	COVID Leave

OK Cancel

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Edit Department

Department code
COVID1
COVID EPSL Employee Leave

Properties
Employer Expense
Direct Cost
V/H/S Accrual

Federal

FICA
2716
COVID PR Taxes

Unemployment
2716
COVID PR Taxes

State

Resident unemployment
2716
COVID PR Taxes

Resident disability
2716
COVID PR Taxes

Work unemployment
2716
COVID PR Taxes

Work disability
2716
COVID PR Taxes

County

Unemployment
2716
COVID PR Taxes

Disability
2716
COVID PR Taxes

Local

Unemployment
2716
COVID PR Taxes

Disability
2716
COVID PR Taxes

Other

Worker's compensation
2716
COVID PR Taxes

Union fringe
2716
COVID PR Taxes

Add-on allocation
2716
COVID PR Taxes

OK
Cancel

You can use existing GL accounts or create new accounts.

Confirm with your state or insurance carrier how these leave payments should be treated for worker's compensation insurance purposes.

Leave payments must be entered using the SR (Special Rate) pay type. Confirm that your SR pay type is not set as Exempt for any taxes by navigating to Payroll | Maintenance | Tax Tables -> US -> Pay Type Exclusions:

Pay type	Income tax	Employee-paid FICA	Employer-paid FICA	Unemployment	
Regular (+ ER)	<input checked="" type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	R,ER
Overtime (+ EO)	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	O,EO
Double time (+ ED)	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	D,ED
PTO	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	V
Holiday	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	H
Sick	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	S
Commission	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	C
Miscellaneous	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	M
Special rate	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	SR
SPEC	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	SA
Retro pay	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	RP
WAIT	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	1
OTHER2	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	2
OTHER3	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	<input type="checkbox"/> Exempt?	3

Payment of EPSL Employee Leave

Payment of EPSL Leave must be done on a separate check from any other types of pay. Spectrum users should run a separate pay cycle for EPSL Leave only in order to streamline the calculation of the amount to reduce your payroll tax deposit by. You can disable any or all recurring deductions or add on codes that you do not want to apply to this separate payroll cycle.

Leave payments must be entered using the SR (Special Rate) pay type.

Timecard or Pre-timecard Entry:

In the timecard line entry, use the SR pay type and select the COVID1 Department code for EPSL Employee Leave or the COVID2 Department code for EPSL Caretaker Leave. Enter the hours and rate that the employee will be paid. The pay rate will depend on the employee's situation. The most simple approach is to manually modify the reduced rate in time card entry.

Remember that the EPSL Employee Leave allows for the employee to receive their regular pay rate up to \$511 per day up to a limit of \$5,110, while the EPSL Caretaker Leave allows for the employee to receive $\frac{2}{3}$ or their regular pay rate up to \$200 per day up to a limit of \$2,000.

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Pre-Time Card Entry									
	Pay type	CC	Job	Phase	Ct	Equipment	Dept	Date	Hours
Previous									
Employee	HOMERSMITH		Homer Smith		Check				
Pay type	SR		Special rate		Sequence 1				
Company code	ABC	ABCD Construction Company		Type Regular					
Department	COVID1	COVID EPSL Employee Leave		Number					
				Regular hours 8.00					
				Overtime					
				Double time					
				Batch COVID					
Employee									
				Rate 15.000					
				Billing code					
				Billing rate					
				Hours 8.00					
Equipment									
				Rate					
				Billing code					
				Billing rate					
				Hours					
Date	03/27/20	FRIDAY							
Wage code									
Union code									
Rate level									
Work state	WA	Washington Income Tax							
Work county									
Work local									
Work comp	9999	Exempt							
Crew									
Message									
OK Cancel Options									

Review a time card edit list and confirm that the employee is not exceeding the \$511/day limit for EPSL Employee Leave pay or the \$200/day limit for EPSL Caretaker Leave.

Complete the time entry for each day the employee is being paid for EPSL leave.

Important: After check calculation, preview and save to PDF the Wage and Tax Listing under Calculation Reports.

Process the remainder of this separate payroll cycle as normal.

Emergency Family Medical Leave Act (EFMLA)

Key Provisions

- **10 weeks of job protected leave** if unable to work or telework while caring for their child (under the age of 18) whose school or child care provider is unavailable due to COVID-19.
- Employees **eligible after 30 days** of employment.
- Employees paid **2/3rd of their regular wage, up to \$200/day or \$10,000 in total.**

Payroll Setup

Spectrum users will need to create a Payroll Department code of **COVID3 for EFMLA Leave**. Paying the leave under a different department will allow for reporting to be done after the fact for the different leave types.

Edit Department

Department code COVID3 COVID EFMLA Leave

Properties **Employer Expense** Direct Cost V/H/S Accrual

Description COVID EFMLA Leave

Properties

Direct cost Non-direct cost

Worker's compensation code 9999 EXEMPT

Salary / Wages

Salaries and wages	2706	COVID Leave
The Big One	2706	COVID Leave
Other earnings 2	2706	COVID Leave
Other earnings 3	2706	COVID Leave
PTO	2706	COVID Leave
Holiday	2706	COVID Leave
Sick	2706	COVID Leave
Miscellaneous	2706	COVID Leave
Retroactive pay	2706	COVID Leave
Equipment usage	2706	COVID Leave

OK Cancel

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Edit Department

Department code
COVID3
COVID EFMLA Leave

Properties
Employer Expense
Direct Cost
V/H/S Accrual

Federal

FICA
2716
COVID PR Taxes

Unemployment
2716
COVID PR Taxes

State

Resident unemployment
2716
COVID PR Taxes

Resident disability
2716
COVID PR Taxes

Work unemployment
2716
COVID PR Taxes

Work disability
2716
COVID PR Taxes

County

Unemployment
2716
COVID PR Taxes

Disability
2716
COVID PR Taxes

Local

Unemployment
2716
COVID PR Taxes

Disability
2716
COVID PR Taxes

Other

Worker's compensation
2716
COVID PR Taxes

Union fringe
2716
COVID PR Taxes

Add-on allocation
2716
COVID PR Taxes

OK
Cancel

Payment of EFMLA Employee Leave

Payment of EFMLA Leave must be done on a separate check from any other types of pay. Spectrum users should run a separate pay cycle for EPSL Leave only in order to streamline the calculation of the amount to reduce your payroll tax deposit by. You can disable any or all recurring deductions or add on codes that you do not want to apply to this separate payroll cycle.

Leave payments must be entered using the SR (Special Rate) pay type.

In the timecard line entry, use the SR pay type and select the COVID3 Department code for EFMLA Employee Leave. Enter the hours and rate that the employee will be paid. The pay rate will depend on the employee's situation. The most simple approach is to manually modify the reduced rate in time card entry.

Remember that the EPSL Employee Leave allows for the employee to receive $\frac{2}{3}$ or their regular pay rate up to \$200 per day up to a limit of \$10,000.

Employee Pay Rates

The pay rate will depend on the employee's situation. The most simple approach is to manually modify the reduced rate in time card entry for the ten weeks. An alternative would be to modify the employee's pay by navigating to Payroll | Employees | Pay Rates and clicking New to create a new rate of $\frac{2}{3}$ of the employee's regular rate with an effective date of the first day of leave for the employee.

New Rate Revision	
Employee code	HOMERSMITH
Pay type	Hourly
Frequency	Weekly
Standard hours	40.00
Salary rate	
Hourly rate	16.6750
Annual rate	34,684.00
Effective date	03/28/20
Comments	EFMLA Rate effective 3/28/20
<div>OK Cancel</div>	

Review a time card edit list and confirm that the employee is not exceeding the \$200/day limit for pay. Also verify that the employee has not exceeded the 10 week leave limitation.

Complete the time entry for each day the employee is being paid for EFMLA leave.

Important: After check calculation, preview and save to PDF the Wage and Tax Listing under Calculation Reports.

Process the remainder of this separate payroll cycle as normal.

Tracking Employee Leave

Spectrum's Human Resources support of FMLA can be used to track the number of weeks an employee is off work. Here, the system will prompt you to create a tracking incident where any associated documentation may be stored.

[HERE](#) is the link to the Spectrum help file with more information.

Calculating Your Tax Credit To Be Taken

The initial guidance from the IRS indicates that the method for prompt delivery of the tax credits under the FFCRA will be to deduct from your regular payroll tax deposit amount the amounts for any EPSL Leave and the Employer portion of FICA tax on those amounts.

Run your Quarterly Federal Tax Report for the check date of your payroll to determine the total amount of FIT and FICA to be deposited. Use the Wage and Tax Listing calculation reports saved during the payroll cycle to determine:

1. The amount of EPSL and EFMLA leave paid to employees
2. The amount of FICA calculated on those EPSL and FMLA amounts

The total of those EPSL and EFMLA amounts can be deducted from your payroll tax deposit amount. IRS guidance also appears to allow the deduction of the amount paid for the employer share of the associated employees' health care benefit.

Additional guidance and form changes are expected to the EFTPS and Fed 941.

[1] Division E section 5102(a), paragraphs (1), (2), and (3)

[2] Division E section 5110(2) (4) (5) (ii)

[3] Division E section 5102(a), paragraphs (4), (5), and (6)

[4] Division E section 5110(2) (4) (5) (ii)

Last Updated March 27, 2020