

TRACKING FFCRA LEAVE WITHIN ISOLVED PART II

Some Housekeeping Items:



- All participants have been placed on mute
- All registrants will receive a follow up email with a link to the recorded webinar and any training documentation
- Stay updated and register for upcoming webinars on our COVID-19 INFO Center here: https://ctrhcm.com/home/covid-19-information-center/
- This training is intended for educational and informational purpose. We hope that you learn a lot, but the information should not be construed as legal or tax advice.
- If you have any questions or want to request training, please email training@ctrhcm.com



Thank you for joining us for the Tracking FFCRA Leave Within iSolved- Part II Webinar!

Today, we will review:

- Quick Recap of Process for Adding FFCRA Extended FMLA Leave and Sick Leave
- New Process for Tracking FFCRA Qualified Health Expenses
- Calculating and Applying Associated Tax Credits
- New FFCRA Average Hours & Wage Report

RECAP: FFCRA EXTENDED FMLA LEAVE AND SICK LEAVE (CTR



COVSick-EE-100:

100% of Regular Pay, FT & PT employees, \$511 per day/\$5,110 max

- The employee is subject to a federal, state or local quarantine or isolation order related to COVID-19.
- The employee has been advised by a healthcare provider to self-quarantine due to concerns related to COVID-19.
- The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

COVSick-Oth-2/3:

67% of Regular Pay, FT & PT employees, \$200 per day/\$2,000 max

- The employee is caring for an individual who:

Is subject to a federal, state or local quarantine or isolation order related to COVID-19,

Or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

- The employee is caring for a son or daughter where the school or place of care of the son or daughter has been closed or the childcare provider of such son or daughter is unavailable due to COVID-19 precautions

RECAP: FFCRA EXTENDED FMLA LEAVE AND SICK LEAVE (CTR



FMLA-COVID:

67% of Regular Pay, \$200 per day/\$10,000 max

- The legislation would require employers with fewer than 500 employees to provide up to 12 weeks of job-protected leave, ten weeks of which would be paid.
- Leave would be for "qualifying need related to a public health emergency."
- Qualifying need is defined as to mean "the employee is unable to work (or telework) due to a need for leave to care for the son or daughter under 18 years of age of such employee if the school [meaning a primary or secondary school only] or place of care has been closed, or the child care provider of such son or daughter is unavailable, due to a public health emergency."
- A "public health emergency" is then defined to mean "an emergency with respect to COVID-19 declared by a Federal, State, or local authority."
- The leave applies to employees who have been employed for at least 30 calendar days, rather than the 12-month period under the current FMLA.
- The first 10 days for which an employee takes leave could be unpaid leave, or the employee could choose to substitute any accrued vacation, personal or sick leave (including in certain instances the emergency paid "sick" leave described prior).
- After the initial 10 days, the employer would be required to provide paid leave based on an amount that is not less than two-thirds of an employee's regular rate of pay and the number of hours the employee would otherwise be normally scheduled to work.

ISOLVED IN ACTION



To see how these earning codes work in iSolved, please visit here to view the FFCRA Leave Tracking within iSolved Part I.

NEW REPORT!



The **FFCRA Average Hours and Wage Report** can be used to determine the hours and rate for Part-Time Employees.

Reporting >> Client Reports >> FFCRA Average Hours and Wage Report

	denerate Report	y Reports Queue		
	FFCRA Average Hours and Wag	ge Report		
Date range up to	Custom Report: Average Hours and Wa	ge Report		
	Filtering			
6 months prior to	From Date:		ii e	Generate Report
date on which	To Date:			ochorate Hopert
leave is taken.	Date Type:	•		
leave is taken.		This report is available to run at the client level. If the Legal Company is left blank the report will be run for ALL Companies.		Go to my
	Legal Company:	•		-
	Pay Groups:	▼		Reports Queue
Pick a	Employee Status: Employment Categories:			
specific employee	Organization Level:	Department Glsb blank		
	Employee.	Location		
	Sorting			
	Sort Field 1:	▼		
	Sort Field 2: Sort Field 3:	· · · · · · · · · · · · · · · · · · ·		
	Sort Field 3:	•		

(If the Employee Field is left blank, the report will generate for all employees that meet the criteria in your report.)



FFCRA AVERAGE HOURS & WAGE REPORT

Instructions:

Average Hours Worked Average Hours Worked is determined by dividing the Total Hours Worked by the number of weeks the employee was employed within the specified date range.

FFCRA Hours Worked accumulator is being used to determine Hours Worked.

Average Regular Rate Average Regular Rate is determined by dividing the Total Regular Wages Paid by the Total Hours Paid for pay periods the employee was employed within the specified date range.

FFCRA Paid Hours accumulator is being used to determine Hours Paid. FFCRA Paid Wages accumulator is being used to determine Regular Wages Paid.

NOTE: Total Regular Wages Paid excludes the premium portion of Overtime Earnings

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Standard Hours	Total Hours Worked	# of Weeks	Average Hours Worked	Total Wages Paid	Total Overtime Premium	Total Regular Wages Paid	Total Hours Paid	Average Regular Rate	
80.0000	170	4	42.5	3,500.00	100.00	3,400.00	170.00	20.0000	
80.0000	212	4	53	4,300.00	100.00	4,200.00	212.00	19.8113	
80.0000	160	- 4	40	6,000.00	0.00	6,000.00	160.00	37.5000	
80.0000	160	4	40	6,000.00	0.00	6,000.00	160.00	37.5000	
86.6700	86.67	2.14	40.5	2,000.00	0.00	2,000.00	86.67	23.0760	
40.0000	64	3	21.33	1,280.00	0.00	1,280.00	64.00	20.0000	
80.0000	48	4	12	480.00	0.00	480.00	48.00	10.0000	
80.0000	77	4	19.25	1,590.00	50.00	1,540.00	77.00	20.0000	



After receiving further clarification from the IRS, iSolved implemented the functionality to apply the tax credits associated with the qualified FFCRA leave on Friday, April 10th. Further, we have implemented additional memo codes to track the "Qualified Health Plan Expense" allowed for under the FFCRA.



<u>Additional Memo Categories to Track Qualified Health Plan Expenses</u>

- According to the FFCRA, employers may also claim a tax credit for Qualified Health Plan. You will need to determine the Qualified Healthcare expense that is associated with the employee. (The <u>IRS FAQ</u> website can provide more specific information on how to determine this amount.)
- Emergency Paid Sick Leave and Extended FMLA leave have differing limits for the amount of wages and qualified health expenses that may be claimed under each category and will need to be tracked separately. As such, we have available two separate codes that you may use to properly track the Qualified Health Expenses. The memo calculations are:
 - Covid-19 Qualified Health Expenses FMLA
 - Covid-19 Qualified Health Expenses Sick

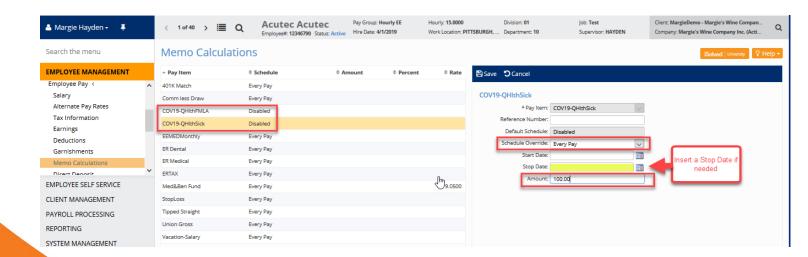
Please contact your customer support representative if you will also need to track Qualified Health Expenses associated with the new FMLA or Emergency Paid Sick Leave categories.



Entering Information into the Qualified Health Plan Expense Memo Codes

Once your CTR Support Representative has added your Qualified Health Plan Expense memo codes to your iSolved environment, please follow the steps below to enter the Qualified Health Plan Expense information for your payroll.

Step 1: Navigate to Employee Management>Memo Calculations and select the employee that you are entering your Qualified Health Expense for. You need to select the Qualified Health Expense memo code that corresponds to the leave type you are paying, COVID Sick or COVID FMLA.

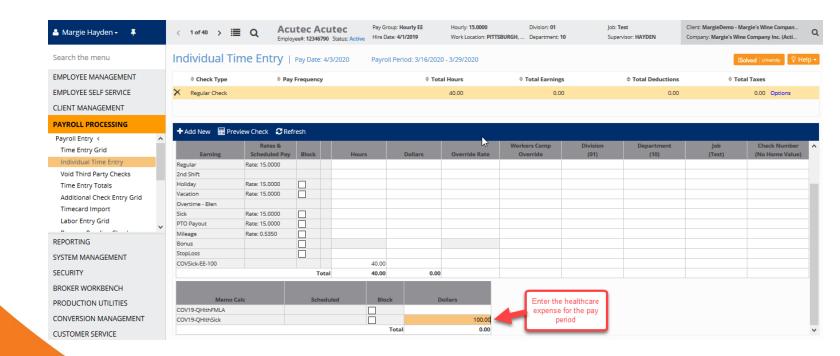




Step 2: Change the Default Schedule from Disabled to Every Pay. This will allow you to enter an amount on this screen or on the ITE-Individual Time Entry screen for the employee. If the employee is going to be paid COVID Sick or FMLA for more than the current pay period, you can enter the full amount and this amount will be included in your payroll processing based on the Schedule Override until you enter a Stop Date. If you need to prorate the health expense for the pay period or if you want to enter the healthcare expenses at the same time you enter the hours, you can make the entries for both pieces in ITE-Individual Time Entry.

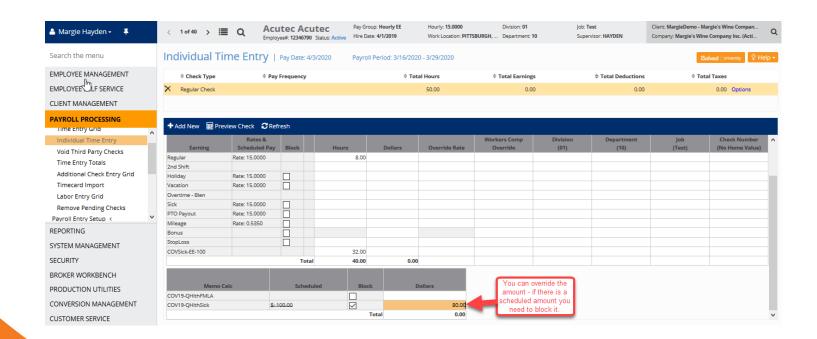


Example for Full Weekly Payroll: EE is getting paid 40 hours of CovSick-EE-100 - FFCRA earnings and Qualified Health Plan expense weekly medical is normally \$100, you would enter \$100 in the memo COV19-QHlthSick memo code.





Example where Health Expense is Prorated: EE is getting paid 32 hours: \$100/40*32=\$80 entered in COV19-QHlthSick memo code.



HOW WILL YOU SEE THESE CREDITS? PAYROLL SUMMARY PREVIEW!



Client ID: MaroieDemo - Maroie's Wine Comoanv Inc.

Pay Group: Hourly EE

Check Date: 4/3/2020

Run Date: 4/12/2020

Pay Pariod: 1

Pay Pariod: 1

Pay Period: 1

*** PAYROLL FUNDING ***

Debit Type	Bank Name	Transit Routing #	Bank Account #	Counts	Amount	ACH Debit
Checks	BANK OF AMERICA, N.A.	*****0196	******7813	6	\$4,578.02	\$0.00
Direct Deposits	BANK OF AMERICA, N.A.	*****0196	******7813	21	\$0.00	\$30,764.58
Totals:				27	\$4,578.02	\$30,764.58
Tax Liabilities	BANK OF AMERICA, N.A.	*****0196	******7813		\$0.00	\$14,464.52
Tax Liabilities - Client's Responsibility					\$9.21 #	\$0.00
Third Party Checks	BANK OF AMERICA, N.A.	*****0196	******7813	1	\$661.54	\$0.00
Third Party Electronic Payment	BANK OF AMERICA, N.A.	*****0196	******7813	1	\$0.00	\$78.81
Payroll Billing	BANK OF AMERICA, N.A.	*****0196	******7813		\$0.00	\$15.00
Tax Adjustment (FFCR Act - FMLA)	BANK OF AMERICA, N.A.	*****0196	******7813		\$0.00	(\$1,479.14)
Tax Adjustment (FFCR Act - SickPay)	BANK OF AMERICA, N.A.	*****0196	******7813		\$0.00	(\$1,417.40)
Totals:				2	\$670.75	\$11,661.79
Total ACH Debit:				Impound D	ate: 4/13/2020	\$42,426.37

Total Payroll Funding (all items):

~ Indicates Tax Amount Not Impounded - Client's Responsibility

Immediate Reduction in Tax Payment!

CREDIT CALCULATION



Allotment	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00
Bonus	0.00	150.00	0.00	150.00	0.00	150.00	0.00	150.00
Overtime - Blen	34.27	1,393.49	34.27	1 202 40	24 27	1,393.49	34.27	1,393.49
NonTax Exp Reim	0.00	1,500.00	0.00	\$1417.40-FFCF	RA-Sick Credit =	1,500.00	0.00	1,500.00
Heart & Lung Fi	40.00	756.00	40.00	Medicare Tax C	Credit -	756.00	40.00	756.00
COVSick-EE-100	80.00	1,200.00		1200.00 * .0145	5= \$17.40	1,200.00	80.00	1,200.00
COVID-19 FMLA	80.00	1,260.86	80.00	Plus		1,260.86	80.00	1,260.86
Total Earnings	2,912.43	51,389.24	2,912.43	\$1200 - Sick		51,389.24	2,912.43	51,389.24
Memo Calculations	Hours	Dollars	Hours	\$200 - Qual He	alth Exp	Dollars	Hours	Dollars
ER Medical	0.00	17,603.20	7			17,603.20	0.00	17,603.20
ER Dental	0.00	1,080.00	0.00	1,080.00	0.00	1,080.00	0.00	1,080.00
StopLoss	0.00	1,726.27	0.00	1,726.27	0.00	1,726.27	0.00	1,726.27
EEMEDMonthly	0.00	323.26	0.00	323.26	0.00	323.26	0.00	323.26
401K Match	0.00	1,452.70	0.00	1,452.70	0.00	1,452.70	0.00	1,452.70
Med&Ben Fund	0.00	13,995.91	0.00	13,995.91	0.00	13,995.91	0.00	13,995.91
Union Gross	0.00	663.54	0.00	663.54	0.00	663.54	0.00	663.54
COV19-QHlthSick	0.00	200.00	0.00	200.00	0.00	200.00	0.00	200.00
COV19-QHIthFMLA	0.00	200.00	0.00	200.00	0.00	200.00	0.00	200.00
Total Memo Calculations	0.00	37,244.88	0.00	37,244.88	0.00	37,244.88	0.00	37,244.88

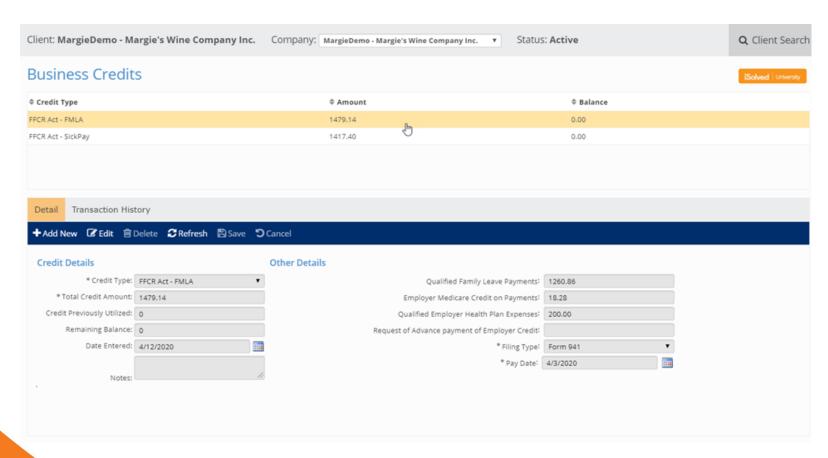
Credit calculation:

COVID-Sick or FMLA earnings x 1.45% - Medicare tax credit COVID Sick or FMLA earnings Qualified Healthcare Expense - Sick or FMLA.

Another Place to See the Credits

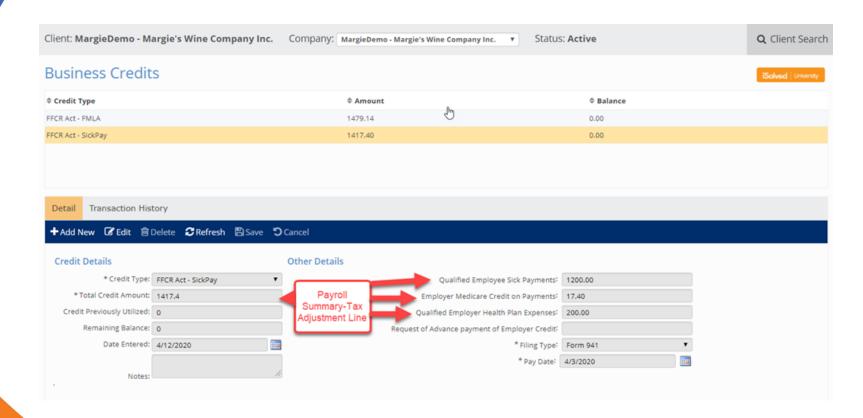


Client Management >> Taxes >> Business Credits



Another Place to See the Credits





IMPORTANT NOTE:



Since these calculations were not applied prior to April 10th, we will be sending an update on how these credits will be recalculated for any processed payrolls.

DOCUMENTATION & RETAINING RECORDS



An Eligible Employer will substantiate eligibility for the sick leave or family leave credits if the employer receives a written request for such leave from the employee in which the employee provides:

- 1.The employee's name;
- 2. The date or dates for which leave is requested;
- 3. A statement of the COVID-19 related reason the employee is requesting leave and written support for such reason; and
- 4. A statement that the employee is unable to work, including by means of telework, for such reason.
- 1.Documentation to show how the employer determined the amount of qualified sick and family leave wages paid to employees that are eligible for the credit, including records of work, telework and qualified sick leave and qualified family leave.
- 2.Documentation to show how the employer determined the amount of qualified health plan expenses that the employer allocated to wages. See FAQ 31 ("<u>Determining the Amount of Allocable Qualified Health Plan Expenses</u>") for methods to compute this allocation.
- 3.Copies of any completed Forms 7200, Advance of Employer Credits Due To COVID-19, that the employer submitted to the IRS.
- 4.Copies of the completed Forms 941, Employer's Quarterly Federal Tax Return, that the employer submitted to the IRS (or, for employers that use third party payers to meet their employment tax obligations, records of information provided to the third party payer regarding the employer's entitlement to the credit claimed on Form 941).

BE SURE TO:



Check the IRS website for complete information about the required records. Consult with your HR Manager, CPA, or financial advisor.

Visit www.irs.gov

Records should be retained for at least 4 years after the Form 941 tax becomes due or is paid.

UPCOMING WEBINARS



HR MANAGEMENT in iSOLVED

Wednesday, April 15: 1pm-2pm

Join us as we discuss how to manage and track employee data in iSolved. In addition, we will review:

- -How These Tools will Assist you in Managing Employee Communication Regarding COVID-19
- -Review Example Employee-Friendly Forms to Maintain Compliance

CARES ACT TAX CREDIT PLAYBOOK

Thursday, April 16: 10am-11am

Join us for a webinar covering the additional tax credits and tax deferral options under the Cares ACT. We will review:

- The Employee Retention Tax Credit
- Payroll Tax Deferral Options under the Cares Act
- How these options compare to the popular PPP Loan
- Which option may be best for your organization?

Managing a Remote Workforce, Handbooks & Other Tips to Help Manage Your Employees through a Pandemic

Friday, April 17: 10am-11am

Join us as we discuss how to manage a remote workforce and other tips on how to manage employees through a pandemic. In addition to discussing managing a remote workforce, we will review:

- The Importance of Updated Handbooks & Policies
- Maintaining Employee Communication
- Employee Wellness & Staying Unified

Register HERE!







Reach out to your CTR Support Representative or submit your question on our COVID-19 INFO PAGE to receive the answer to your most-pressing questions.

Name*		
First	Last	
Email*		
What's on your mind?		



From all of us at CTR:

Stay SAFE from COVID-19

Stay SMART and INFORMED

Stay KIND and support one another