

# How do I set up pays to pay employees associated with the HR\_6201 - Families First Coronavirus Response Act?

## Products

Sage 300 CRE

## Country

North America

## Description

How to setup pays to track payments to employees associated with the **Families First Coronavirus Response Act (H.R. 6201)?**

The federal government has approved the Families First Coronavirus Response Act (H.R. 6201). A summary of the information associated with this act can be found here: <https://www.congress.gov/bill/116th-congress/house-bill/6201>. (<https://www.congress.gov/bill/116th-congress/house-bill/6201>)

Amendments to the existing bills are being updated on that site. You can elect to receive alerts associated with this legislation by selecting the "Get alerts" link at the above referenced website.

Please review this topic as changes/updates will be made to this article.

## Disclaimer

Support

Sage Customer Support does not provide assistance for issues related to third party products or enhancements, hardware, report customizations, state or federal tax-related questions, or specific accounting questions. Please contact your Sage business partner, network administrator, or accountant for assistance. Please review this document for additional information on the scope of Sage Customer Support Services.

## Cause

Emergency Paid Family Leave due to Covid 19 (Coronavirus Pandemic)

Emergency Paid Child Care Credit (Coronavirus Pandemic)

Emergency Sick Pay due to Covid 19 (Coronavirus Pandemic)

Coronavirus-Related Paid Leave for Workers

## Resolution

Due to variations of setup and requirements it may not be possible to outline all of the setup required to cover each possible scenario. You may want to contact your Business Partner or Consultant for additional assistance.

At a minimum, it will be necessary to setup at least two new Pay IDs in order to track the pay amounts separately from existing Sick and Family Medical Leave pays.

### Considerations:

1. **Unions:** If you are a Union Employer, contact each Union to determine if payments are to be made directly to the employee, or if the payment is to be made to the Union.
2. **Deductions:** Verify if employees are subject to all of their usual deductions such as Medical Insurance or 401k. Check with your Tax Accountant if you have questions.
3. **WC Fringes:** Verify with your Workers Compensation company to determine if these pays are subject to Worker's compensation.

### For COVID-19 related reasons, employees receive up to 80 hours of Paid Sick leave and expanded child care leave when employee's children's schools are closed or child care providers are unavailable.

If you have an employee who will be paid either one of these types of Pays, it's recommended that you pay this on a separate check with no other earnings. This will make it easier for future reporting/calculations for the Employee earnings, Employee and Employer Federal Taxes along with Employer Health Benefits.

Setup two new Pay IDs in payroll:

1. Pay ID **COVIDFMLA**: Emergency Family and Medical Leave Act.
  - An employee who is unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, and/or the employee is experiencing substantially similar conditions as specified by the U.S. Department of Health and Human Services can receive two weeks (up to 80 hours) of paid sick leave at 2/3 the employee's pay. An employee who is unable to work due to a need to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, may in some instances receive up to an additional ten weeks of expanded paid family and medical leave at 2/3 the employee's pay.
2. Pay ID **COVIDSICK**: Emergency Paid Sick Leave Act
  - The Act provides that employees of eligible employers can receive two weeks (up to 80 hours) of paid sick leave at 100% of the employee's pay where the employee is unable to work because the employee is quarantined, and/or experiencing COVID-19 symptoms, and seeking a medical diagnosis.

Both Pays will use a similar setup as outlined below.

### Setting up Other Pays:

1. From the Setup menu, select **Pays**.
2. Enter a Pay ID and Description for this pay.
3. Select **Other** as the Pay type. The items in the window change to reflect this selection.
4. Enter additional information for this other pay. If you mark any Other pays as Distribute to JC, only the amount of the pay is sent to Job Cost, not the units.
5. If this pay is included in gross pay and is taxed, but is not included in the employee's net pay mark **In/Out**, then click [**Deduct**] to set up the deduction portion of this pay.
6. If this pay is included in the base pay for workers' compensation, mark **Straight pay** (the Calc method in the Fringe Setup - Workers' Comp Table window should also be Straight pay). If you are not calculating workers' comp by Straight pay, you may be required to set up a formula that includes/excludes the desired pays.
7. If the tax on this pay should be calculated at a flat federal and/or state withholding tax rate, mark Supplemental. For example, you may want to set up a year-end bonus pay to be taxed at a flat 28% federal withholding tax rate. In this case, you should also enter a Supplemental Rate for the appropriate tax(es) in the Tax Rate Setup window after setting up the pay.
8. **The Calculation Method for both of these Other Pay type pays is Other Units.** You will use a formula to retrieve the rate of pay for each employee. The rate is retrieved when you process this check, and will be multiplied by the Units you enter for your new Pay id's.

1. Formula example for **COVIDSICK** is shown below. **COVIDSICK** Pay is paid at the usual hourly rate for your employee. You may need to modify this formula to fit your setup. In the Example shown below your Salaried employees are in a pay group "SALARY" and the Salaried Pay is "SAL". Salaried employees are paid weekly. "REG" is the regular Pay ID used to pay your non salaried employees. This formula can retrieve a rate of pay for a Salaried or Hourly paid employee
    - COVIDSICK Hourly Rate:
      - $\text{IF}(\text{Pay Group}[\text{PR Check}] = \text{"SALARY"}, \text{LOOKUP}(\text{Amount}[\text{PR Employee Pay}], \text{Employee}[\text{PR Check}], 1, \text{"SAL"}) / 40, \text{LOOKUP}(\text{Amount}[\text{PR Employee Pay}], \text{Employee}[\text{PR Check}], 1, \text{"REG"}))$
  2. Formula example for **COVIDFMLA** is shown below. **COVIDFMLA** Pay is paid 2/3 rds of the usual hourly rate for your employee. You may need to modify this formula to fit your setup. In the Example shown below your Salaried employees are in a pay group "SALARY" and the Salaried Pay is "SAL". Salaried employees are paid weekly. "REG" is the regular Pay ID used to pay your non salaried employees. This formula can retrieve a rate of pay for a Salaried or Hourly paid employee
    - COVIDFMLA Hourly Rate:
      - $\text{IF}(\text{Pay Group}[\text{PR Check}] = \text{"SALARY"}, \text{LOOKUP}(\text{Amount}[\text{PR Employee Pay}], \text{Employee}[\text{PR Check}], 1, \text{"SAL"}) / 40, \text{LOOKUP}(\text{Amount}[\text{PR Employee Pay}], \text{Employee}[\text{PR Check}], 1, \text{"REG"}) * .667)$
9. When finished entering information for this pay, click [**Save**], then [**Close**].

Use **Tasks/Enter Checks** or **Tasks/Enter time** to enter these specific pays. Please consider that it maybe necessary to remove the automatic check box on Salaried Employees for their Salary Pay Id's. Salary Pay Id's automatically are processed when you process your payroll.

## Related resources

Families First Coronavirus Response Act

How do I set up a new Pay ID in Payroll?

Preparations you can make to continue to run your business during uncertain times

## Additional information

DOL Website Link: <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

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Please contact your consultant, business partner, or support if you need further assistance.

## Category

How To

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