

# Families First Coronavirus Response Act – Understanding new payroll earnings codes

Support for certain businesses impacted by COVID-19

Updated 4/7/2020



The **Families First Coronavirus Response Act (H.R. 6201, "FFCRA")** provides employers with fewer than 500 employees paid family leave and paid sick leave that they can offer employees unable to work (or telework) and who meet specified conditions related to COVID-19.

ADP is updating its systems to support clients that need to pay emergency paid sick leave and expanded FMLA in accordance with FFCRA. **Three payroll earnings codes** have been added to assist in the tracking and payment of wages to these impacted employees, effective as of April 1, 2020 through December 31, 2020:

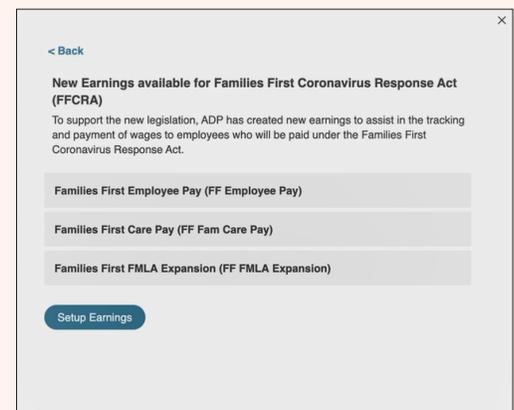
## Families First FMLA Expansion

Use this earnings code when paying eligible employees for expanded family leave, such as time off to care for children if their school or place of care has been closed. Eligible employees (employed for at least 30 calendar days) are entitled to up to 12 total weeks of job-protected leave, not all of which has to be paid.

## Families First Employee Pay

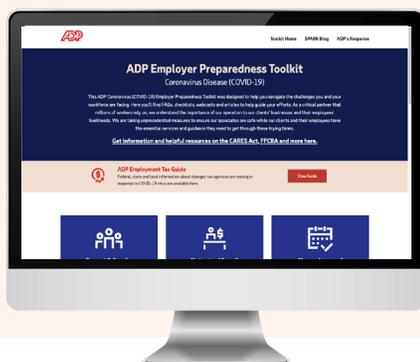
Use this earnings code when paying employees who take time off under the Emergency Paid Sick Leave Act due to the employee being quarantined, diagnosed with COVID-19 or experiencing symptoms related to COVID-19.

**Families First Care Pay** – Use this earnings code when paying employees who take time off to care for a family member under the Emergency Paid Sick Leave Act. Both full & part-time employees regardless of how long they have been employed by their current employer are entitled to up to two weeks under the Emergency Paid Sick Leave Act.



Depending on your configuration, new PTO policies and time codes may also be available. Please login to your ADP solution for additional details to help you navigate the setup of these earnings codes. ADP will adjust as needed, based on guidance from the U.S. Treasury Department on additional credits for amounts paid under these earnings, including credits for certain specified health expenses.

The **FFCRA** is just one piece of important legislation passed in response to COVID-19 that may impact your business. The **CARES Act** (Coronavirus Aid, Relief, and Economic Security Act, H.R. 748) provides qualified employers access to funds to help keep them afloat during these unprecedented times. An employer may not be able to apply more than one program at a time and will need to independently assess which of these options is best for their circumstances. We encourage you to speak to your accountant or trusted advisor for additional guidance.



ADP takes compliance very seriously and prides itself on remaining at the forefront of regulatory changes on behalf of our clients. Our team of experts will work swiftly to implement any necessary changes in our adaptable technology, so you can act with confidence.

We encourage you to visit our **COVID-19 Employer Preparedness Toolkit** to stay up-to-date with the latest information and guidance to assist you during this time.