

How do I set up to pay employees Emergency Paid Sick Leave and Emergency Family Medical Leave associated with the HR_6201 - Families First Coronavirus Response Act (FFCRA) in Sage 100?

Products

Sage 100 2020
Sage 100 2019
Sage 100 2018
Sage 100

Country

North America

Description

How do I set up to pay employees Emergency Paid Sick Leave and Emergency Family Medical Leave associated with the HR_6201 - Families First Coronavirus Response Act (FFCRA) in Sage 100?

Disclaimer

Backup Warning

Use caution when working with the below product functionality. Always create a backup of your data before proceeding with advanced solutions. If necessary, seek the assistance of a qualified Sage business partner, network administrator, or Sage customer support analyst.

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.

Resolution

In response to the Families First Coronavirus Response Act (FFCRA), three new earnings tax rules have been added to the Sage 100 Payroll tax calculation service.

The new Earning Tax Rules are:

- Tax Rule -800123, Emergency Paid Family and Medical Leave
- Tax Rule -800121, Emergency Paid Sick Leave - Self
- Tax Rule -800125, Emergency Paid Sick Leave - Others

Medicare and Social Security taxes for these new tax rules were also added. In Sage 100, we have previously grouped all Social Security and Medicare wages and taxes into one category (for regular wages, tips, group term life insurance, and so forth). Because these new emergency leave wages may need to be reported separately, we will not group the wages and taxes into the standard Medicare and Social Security categories. Instead, they will be treated as Other Federal taxes. This is the best way to handle these changes in a timely manner and to ensure that we have the data needed for future reporting purposes.

The new Federal taxes are:

- Federal Medicare Tax EPFML Employer Liability
- Federal Medicare Tax EPFML Withholding
- Federal Social Security Tax EPFML Employer Liability
- Federal Social Security Tax EPFML Withholding
- Federal Medicare Tax EPSLO Employer Liability
- Federal Medicare Tax EPSLO Withholding
- Federal Social Security Tax EPSLO Employer Liability
- Federal Social Security Tax EPSLO Withholding

- Federal Medicare Tax EPSLS Employer Liability
- Federal Medicare Tax EPSLS Withholding
- Federal Social Security Tax EPSLS Employer Liability
- Federal Social Security Tax EPSLS Withholding

What to do in Sage 100 Payroll 2.x:

1. If you're using **Sage 100 Payroll 2.20.1**, Download Sage 100 Program Fix PR6024T for Sage 100 Payroll 2.20.1. The program fix includes programs to update the Employers' Expense Report-Deposit Liability, Pre-Check Register and Check Register to report these new federal taxes in the "Other Taxes" column and they have also been added in check and direct deposit stub printing.

Note: If you are unable to install Payroll 2.20.1 at this time, the remaining instructions will allow you to process Payroll with appropriate earnings and taxation, but check & direct deposit stubs, registers and reports will **not** reflect the correct Federal Other Taxes. We strongly urge you to install or work with your partner to install Payroll 2.20.1 and the program at your earliest convenience in order to remain in compliance.

1. Run the **Payroll Tax Update** utility located on the Payroll Utilities menu.
2. Go to **Tax Profile Maintenance** and update all applicable tax profiles by selecting the checkbox next to each of the new Federal Taxes listed above.
3. In **Company Group Tax Setup**, select the Federal tax group, and enter the applicable G/L Accounts on the Additional tab.
4. Go to **Earnings Code Maintenance** and create 3 new earnings codes:
 - a. **Emergency Paid Family Medical Leave (EPFMLA) – (Section 3601)**
 - *Under the FMLA, originally enacted under the Families First Coronavirus Response Act, employees of businesses with fewer than 500 employees are eligible for 12 weeks of family leave if they are unable to work because of a school closure or childcare provider closure. The first 10 days are unpaid, and the remainder of the leave is paid. This Act reiterates that an employer is only obligated to pay employees compensation at two-thirds of the employee's regular rate of pay (must be at or above the federal, state, and local minimum wage) up to a cap of \$200 per day and \$10,000 in the aggregate per employee.*
 - *Use Tax Rule -800123 for Emergency Paid Family and Medical Leave **Note:** When using this Earnings Code in Payroll Data Entry, you must **not** exceed the maximum \$200 per day and maximum \$10,000 for 10 weeks per employee.*
 - b. **Emergency Paid Sick Leave (EPSL) – (Section 3602)**
 - *Under Emergency Paid Sick Leave, also originally enacted under the Families First Coronavirus Response Act, employees of businesses with fewer than 500 employees are eligible for up to 80 hours of paid sick leave. The Act reiterates that an employer is only obligated to pay employees up to a cap of \$511 per day and \$5,110 in the aggregate per employee for paid sick leave. Also if an employee is taking care of a child or a quarantined individual, the obligation is to pay compensation at two-thirds the employee's regular rate of pay (must be at or above the federal, state, and local minimum wage) with a \$200 cap per day and \$2,000 cap in the aggregate per employee.*
 - *The Act also clarifies that an employer's obligation for paid sick leave ends when the employer has either paid the employee for an equivalent of 80 hours or where the employee has returned to work after utilizing leave provided under this section.*
 - *Use Tax Rule -800121, Emergency Paid Sick Leave – Self **Note:** When using this earnings code in Payroll Data Entry, you must **not** exceed the maximum \$511 per day and maximum \$5110 for 10*

days per employee.

c. Emergency Paid Sick Leave Others (EPSLO)

- Use Tax Rule -800125, Emergency Paid Sick Leave - Others **Note:** *When using this earnings code in Payroll Data Entry, you must **not** exceed the maximum \$200 per day and maximum \$2000 for 10 days per employee.*
5. Earnings Type = Miscellaneous
 6. Method of Entry = Standard
 7. Select applicable Employee Pay Rate to use
 8. If this pay is Subject to Workers' Comp, select the checkbox
 9. If this pay should be Excluded from ALE (Applicable Large Employer) Report, select the checkbox.
 10. Select the appropriate Tax Rule for each applicable earning:
 - -800123 for Emergency Paid Family Medical Leave earnings code
 - -800121 for Emergency Paid Sick Leave earnings code
 - -800125 for Emergency Paid Sick Others earnings code

Need help?

Chat with support (https://chat.na.sage.com/sdcxuser/rrn/issue_new.asp?Kernel::Kernel::sik_iss_type=ec7ecb20-40f2-43f5-9d0d-9d128ac9423b&enforceRequestType=yes&lf=kbarticle&qd=Sage%20100%20Support)

Additional information

- The effective date of the Families First Coronavirus Response Act (FFCRA) which includes the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act is April 1, 2020. This applies to leave taken between April 1, 2020 and December 31, 2020.
- The federal government has approved the Families First Coronavirus Response Act (H.R. 6201). To read the full bill click here (<https://www.congress.gov/bill/116th-congress/house-bill/6201/text>).
- As additional information and details become available, this article will be amended to include further information and suggestions on this new process. For any questions or clarification on required tax reporting please check with your Tax Advisor.
- As of April 3, 2020 we know of the following additional changes that will be made:
 - Program change to adhere to the employer tax limit on Social Security wages
 - Update to the Quarterly Tax Report (awaiting federal guidance)
 - Updates to Federal and State Tax Reporting (Aatrix) (awaiting federal guidance)
- For more information on the Families First Coronavirus Response Act (FFCRA), please see the details at the Department of Labor website at: <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave> (<https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>)

Category

How To
Processing

Defect ID

111882

ID:104181 **Last modified:**4-3-2020