



Human Resources Weekly Digest

Payroll Tax Credits Under the FFCRA and the CARES Act: Determining Qualified Healthcare Expenses

“Employers may offset the amount of their anticipated payroll tax credits under the FFCRA and the CARES Act against their deposit of employment taxes (including income tax withholdings) with the IRS. Since many employers are required to make these deposits with the IRS on a semi-weekly basis, employers should start determining their qualified health plan expenses as soon as possible. The first step is to determine which health plan expenses are eligible for a payroll tax credit. The second step is to allocate these expenses to the appropriate employees.” [Full Article](#)

Miller Johnson



Code Section 139: Little-Known Disaster Relief Benefits Now in the Spotlight

“Qualified disaster relief payments are excluded from gross income and are not subject to federal income tax, FICA or FUTA withholding; further, the payments are deductible by the employer. Thus, they do not have to be reported as income by the employee on an employee’s Form W-2 or on a Form 1099. Employers should be aware, however, that Code Section 139 only addresses the tax treatment of these benefits under federal law; applicable state laws will need to be examined to determine if such amounts are subject to state income tax withholding.” [Full Article](#)

Faegre Drinker

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CARES Act Prompts Changes to Employer-Sponsored Health Plans

“Building on the FFCRA requirements, the CARES Act expanded the types of COVID-19 tests that must be covered to include: [1] products approved by the FDA; [2] products for which the developer has requested or intends to request an emergency use authorization by the FDA; [3] products developed in and authorized by a state that has notified HHS of its intention to review COVID-19 tests; and [4] products that HHS approves through published guidance. The CARES Act also governs the amount that plans must cover for COVID-19 testing.” [Full Article](#)

Ogletree Deakins



COVID-19 Special Enrollment in Group Health Plans

“Many insurers are offering a 30-day special enrollment period for their insured and self-funded group health plans. This COVID-19 SEP does not qualify as a HIPAA special enrollment event nor a change in family status event under the section 125 cafeteria plan rules that would permit mid-year enrollment in a self-funded or fully-insured group health plan on a pre-tax basis. The COVID-19 SEP poses additional issues for self-funded group health plans, especially ones that are subject to ERISA. The stop loss policy may not cover participants who enroll during a COVID-19 SEP which means the plan sponsor would be fully liable for claims made by such participants.” [Full Article](#)

Wilkins Finston Friedman Law Group LLP

FFCRA Documentation and Record Keeping: What Employers Need to Know

“Somewhat surprisingly, the Regulations do not mention specific documentation for certain types of leave available under FFCRA, such as a copy of the doctor's order or advice to quarantine or isolate. Any records that are required must be retained by the employer for a period of four years.” [Full Article](#)

Ice Miller LLP

Tracking Telehealth Changes State-By-State in Response to COVID-19

“As the coronavirus pandemic continues to spread across the U.S., states, payers and providers are looking for ways to expand access to telehealth. These state summaries cover state licensure flexibilities related to COVID-19, telehealth coverage and payment changes for commercial plans, and telehealth coverage and payment changes in Medicaid.” [Full Article](#)

Manatt, Phelps & Phillips, LLP

COVID-19 Costs to Commercial Health Insurers (PDF)

“The incidence rate of COVID-19 along with the hospitalization rate is key to estimating future costs. As time passes, the likelihood increases that different therapies and cures will be developed to help bring down fatalities, hospitalizations, and, ultimately, the costs of this disease. The most important goal is to produce a vaccine. This is necessary in order to achieve the most dramatic reductions and stop the pandemic in its tracks. Despite extensive work by many on this endeavor, that goal is not likely to be achieved until sometime next year.” [Full Article](#)

Society of Actuaries