

Deferrals and Credits for Businesses Amid COVID-19

	Families First Coronavirus Response Act (FFCRA)	Coronavirus Aid, Relief, Economic Security Act (CARES)	
What is it?	COVID-19 sick leave	Payroll tax deferrals	Employee retention tax credit
Requirement	Employee directly affected by COVID-19 and requires sick leave to take care of themselves or family member.	None	Business that has been forced to fully or partially suspend operations or significant drop in revenues.
Description	Beginning April 1 through December 31, 2020 provides up to 2 weeks paid leave. Limit \$511 per employee per day.	Beginning April 1 through December 31, 2020, the employer social security portion of FICA is deferred through end of 2020. 50% due 2021 and 50% due 2022.	If 100 EEs credit of 50% of wages paid to employees. Limit on \$10k of wages per EE. If over 100 EEs 50% credit for wages paid to furloughed or reduced-hour employees.
Form of payment	Tax credit on quarterly Form 941	Deferral of payment with Form 941	Tax credit on quarterly Form 941
Qualifies for advance payment on credits	Yes under file IRS Form 7200	Deferral of payment only	Yes under file IRS Form 7200
Regulations Final	IRS Notice 2020-21	IRS Notice 2020-22	IRS Notice 2020-22

For informational purposes only. Contact us with questions about your specific situation.

