



## Attn: All CertiflexDimension Payroll Users

### H.R. 6201 Families First Coronavirus Response Act (FFCRA)

Congress has passed HR 6201, FFCRA to give relief to employees who have been directly affected by the Coronavirus. This relief is in effect from April 2, 2020 until December 31, 2020. There are two types of relief provided in this bill for qualified employees. While we are unable to advise you as to the specifics of which employees will qualify for which type of relief, this white paper is designed to help you set up CertiflexDimension Payroll to enable you to fulfill your responsibilities as employer in distributing this special relief provided.

The two types of relief available are “Emergency Paid Sick Leave” (EPSL) and “Emergency Family and Medical Leave” (EFML). The EPSL requires employers to provide up to 80 hours of paid sick time for full-time covered employees. These 80 hours are separate from and in addition to whatever other type of sick or PTO time you already provide. You will be reimbursed by the government for the cost of providing this special emergency sick time paid.

The EFML requires employers to provide up to 10 weeks of paid family and medical leave in certain circumstances, also reimbursed to you by the federal government. In this case, there is no hourly restriction on the number of hours provided, but there is a cap on this paid leave of \$200 per day and \$10,000 in total. The relief payment is to be not less than 2/3 of the regular rate of pay for the employee based on the number of hours normally scheduled to work. Again, please consult your HR advisors for details, but this very general description is provided to differentiate the types of relief for this white paper.

We recommend that you review this document in full prior to beginning this process, of course backing up your data files immediately prior to doing any of this.

#### **Maintain Payroll Codes:**

To use this new version of the Maintain Pay Codes program (PR53), you will need to first update your software in the normal way. Once you have the new version of this program, perform the steps below:

1. In Payroll, select **>Maintain Lists >Payroll Codes**
2. In Maintain Payroll Codes program, click the new button on the bottom right section of the screen called **“FFCRA Codes”** (see the button with the border around it on the screenshot on the top of the next page).



Depending on when you have to run your first paycheck run using one or both of these codes, the new program described earlier may not be completed and delivered yet. We will notify you when it is complete. If you do not have to use a code before then, you can ignore the rest of this document.

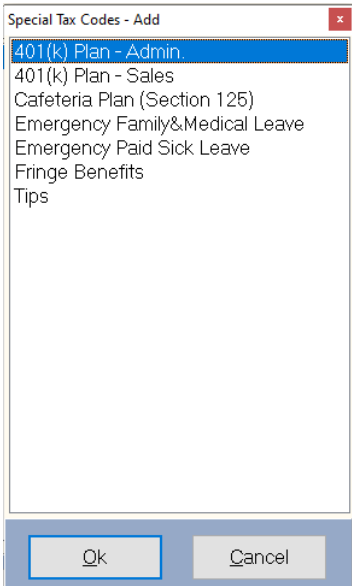
Now that we have the code(s) set up, we can Record Pay Data:

**Record Pay Data:**

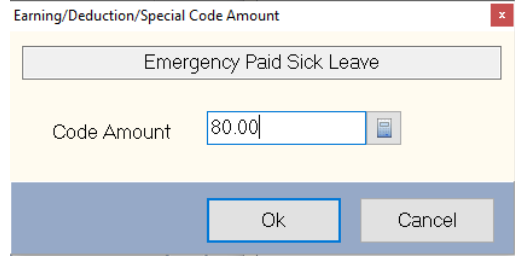
First, you will run the Record Pay Data program as you normally do to enter Hours and Salary information for the pay period.

In this example, we have an employee who earns \$10/hr. and who worked 4 days of her 5-day workweek. On her 5<sup>th</sup> day, she took a sick day that qualifies for Emergency Paid Sick Leave (EPSL). In this case, we will enter the 32 normal hours as usual, then we will click on the Special Tax Codes button in the middle of the screen (highlighted below).

Click the  
Special Tax  
Codes  
Button



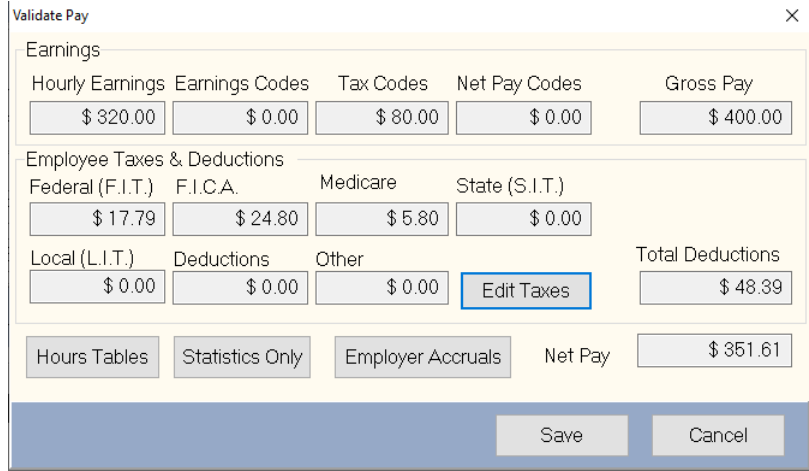
From the popup window, click the New button which will bring up the window shown here (to the left): Select the Emergency Paid Sick Leave code and click Ok. For the Code Amount, type in \$80, representing 8 hours at her normal hourly rate (see right). Note that the employee's total hours will not include the 8 hours of sick time, but her Total Gross Pay will include the \$80 in the code.



Click Ok, then click Save. After reviewing the summarization, and entering any other codes and data, click Validate and then you will see the Validation screen as below:

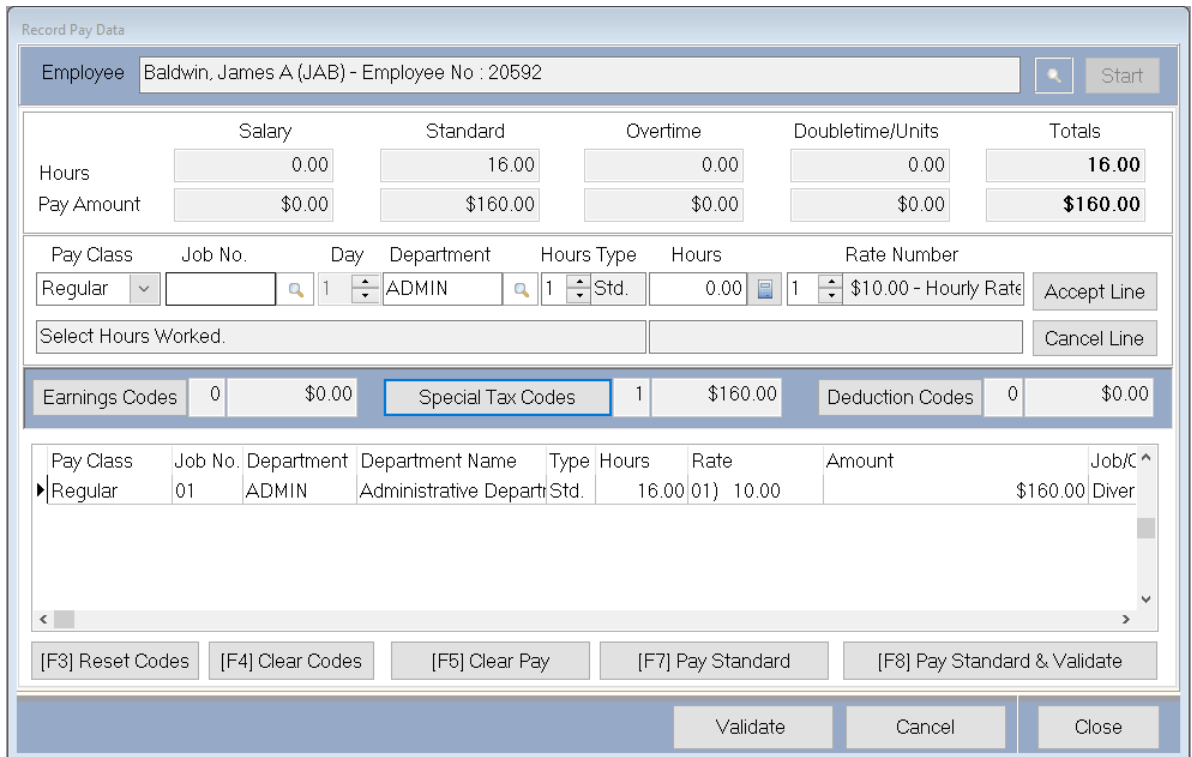
Note that the Total Gross pay includes the \$80 giving a total of \$400 of Gross Pay.

Once everything looks good, click Save.



Next, let's look at Entering Pay Data for an employee who qualifies for Emergency Family and Medical Leave (EFML).

In the next example, we have an employee who also earns \$10/hr. and who worked 2 days of his 5-day workweek. On the rest of his week however, he took 3 days that qualify for Emergency Family Medical Leave (EFML). In this case, we will enter the 16 normal hours as usual, then we will again click on the Special Tax Codes button in the middle of the screen. In this case, we will select the EFML Special Tax Code. Where this code is different is that we will take the amount of pay that the employee would have gotten had he worked (24 hrs. x \$10/hr.) or \$240 and multiple it by 2/3. So the amount of the code for this employee would be \$160. The Record Pay Data screen and Validation screen for this example are to the right and below:



Validate Pay

Earnings				
Hourly Earnings	Earnings Codes	Tax Codes	Net Pay Codes	Gross Pay
\$ 160.00	\$ 0.00	\$ 160.00	\$ 0.00	\$ 320.00
Employee Taxes & Deductions				
Federal (F.I.T.)	F.I.C.A.	Medicare	State (S.I.T.)	
\$ 26.20	\$ 19.84	\$ 4.64	\$ 0.00	
Local (L.I.T.)	Deductions	Other		Total Deductions
\$ 0.00	\$ 0.00	\$ 0.00	<a href="#">Edit Taxes</a>	\$ 50.68
Hours Tables   Statistics Only   Employer Accruals   Net Pay				\$ 269.32
				<a href="#">Save</a> <a href="#">Cancel</a>

In this case, our employee receives their normal full pay for the hours actually worked, but 2/3 of their pay for the EFML benefit making their total Gross Pay \$80 less than normal.

For any other employees who might qualify, we would handle them the same way. Once you finish, continue to process Payroll as you normally would.

On the Journal Entry in our scenario, the amounts related to the Emergency benefits are posted to the Current Asset accounts that we set up in step one, since they are not actually an expense to the company, and will effectively be reimbursed by the government.

When we record the reimbursement, we will post that to the same accounts, bringing them back to a zero balance after all amounts paid have been reimbursed. You and/or your accountant may choose to post the amounts to an Expense account.

Payroll Journal Entry :

81000B	\$480.00	Salaries and Wages - Dept B
123000	\$80.00	EPSL Receivable
123100	\$160.00	EFML Receivable
220000		\$99.07 Payroll Taxes Payable
100000		\$620.93 Cash in Checking
	<hr/>	
	\$720.00	\$720.00
	<hr/>	<hr/>

If you do so, you will need to record the reimbursement back from the government to an Income account to offset that expense.

If you have any questions about the contents of this White Paper or how to make this work in your specific situation, please contact our **Support Department** at the phone number or email address below.

We are currently designing a new complementary tracking program for FFCRA hours and pay calculation. In the new program, you will not have to manually keep track of the Sick Time hours taken, making sure to not go over the 80 hour limit (EPFL), and you will not have to manually calculate the 2/3 pay calculation in the case of the EFML. We will also assist you with dollar value limitations per employee as they apply. We do not yet know when this program will be available, but keep your eye out for an update from us as to when it is. You can also check our website (below) which will be updated with a new White Paper related to using the new program when it is released.

We are striving to be as nimble as possible in getting these important software changes out to you as quickly as we can during this uniquely challenging time.

<https://CertiflexDimension.com>