

December 29, 2020

The Impact of the \$900 Billion Appropriations Act on Employers and Their Employees

Human Resources & Employment

Last week, Congress passed a \$900 billion Appropriations Act. In addition to providing much-needed funding for vaccine distribution, direct payments to the vast majority of Americans, and a renewal of the popular Paycheck Protection Program, the act contains a number of changes that affect businesses and their employees.

Paid Sick Leave Credits Extended

A covered employer's obligation to comply with the emergency paid sick leave and expanded family medical leave under the Families First Coronavirus Response Act (FFCRA) expires December 31, 2020. However, the new relief bill extends tax credits for those employers who provide paid leave through March 31, 2021, as long as the leave "would be so required to be paid" if FFCRA applied. In other words, should a company wish to continue the benefit, the federal government will continue to reimburse (so long as it would have qualified under FFCRA) through March 31, 2021. However, employers are not required to do so, and will not be penalized for ending the benefit on December 31, 2020.

Unemployment Extended

The act increases the number of weeks unemployment insurance is available. The new Continued Assistance for Unemployed Workers Act of 2020 provides for up to 50 weeks of unemployment, an increase from the 39 weeks provided by the CARES Act that passed in March.

Additionally, the act extends the popular federal pandemic unemployment compensation program that expired on July 31, 2020. Workers who are unemployed between December 27, 2020, and March 14, 2021, will be eligible for an additional \$300 per week in unemployment benefits. Additionally, states who waive the one-week waiting period to apply for unemployment benefits will continue to receive some reimbursement for that first week, though the act reduces the amount from 100% to 50%.

Networking Just Became More Affordable

Perhaps in an effort to help the struggling restaurant sector, the act provides a 100% deduction for food and beverages purchased at a restaurant between January 1, 2021, and December 31, 2022. Cheers!