

March 25, 2021

## UPDATE!

### New 2021 COVID Paid Sick Leave Notice Now Available

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In our [March 23 Alert](#), we told you about the new round of COVID-19 Supplemental Paid Sick Leave (SPSL) for employers with 26 or more employees enacted by [SB 95](#). This new leave is effective March 29, 2021 - September 30, 2021 but, notably, applies retroactively to January 1, 2021.

#### Notice Requirements

- 1) The 2021 SPSL has a new employee notice requirement and that notice is now available [here](#).
  - The notice must be conspicuously displayed in a location frequented by employees.
  - It may distributed via email to employees working remotely .

- 2) Another important piece of the notice requirement is that the SPSL must be reported *separately* on paystubs -- starting with the next full pay period following the effective date of March 29, 2021. Paystub sick leave reporting is already required for 'regular' Paid Sick Leave (thank you AB 1522 from 2015), so just make sure you show this new Supplemental Paid Sick Leave *separate* from your other sick leave.

#### Frequently Asked Questions

The California Labor Commissioner's Office has published a [Frequently Asked Questions](#) page.

#### Tax Credits

The passage of SB 95 at the state level coincides with the passage at the federal level earlier this month of the American Rescue Plan, which extends the federal payroll tax credit established in the Families First Coronavirus Response Act (FFCRA) to September 30, 2021.

That measure increases the wages covered by the paid family leave credit to \$12,000 per worker, from \$10,000. Larger employers also should realize that the tax credit only applies to employers with 500 or fewer employees. The effective date of the FFCRA payroll tax credit begins after March 31, 2021. This calls into question whether leave retroactively designated under SB 95 would qualify for the payroll tax credit under the FFCRA.<sup>1</sup>

Consult with your legal and accounting professionals to determine whether your policies, payroll procedures and practices are in compliance (and the best way to get them there if needed) and whether tax credits are available for your business.

#### Handy Resource

[Side-by-side comparison chart](#) of the various COVID and non-COVID leave options including this new 2021 COVID SPSL.

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