

A woman with curly hair and glasses is looking at a smartphone in her hand. She is sitting at a desk with a laptop. In the background, there is a vase of yellow flowers. The image is overlaid with a dark blue semi-transparent banner containing white text.

# COVID-19 Legislation: Kronos Payroll Impact



## Families First Coronavirus Response Act (FFCRA)

The Families First Coronavirus Response Act was signed into law on March 19, 2020 and includes the major provisions below. The effective date for the emergency sick leave and family medical leave credit was April 1, 2020. The act expires on December 31, 2020.

Major Provision	Explanation	Kronos Solution
<b>Paid Sick Leave</b>	<p>Employers with <b>fewer than 500 employees</b> must provide employees 2 weeks of paid sick leave at the employees regular rate of pay if they are unable to work, because they are quarantined and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or at 2/3<sup>rd</sup> rate of pay if they are unable to work due to caring for certain impacted family members.</p> <p>Full-time employees are paid at a rate of 40 hours. Part-time employees are paid based on average hours worked.</p> <p>The daily maximum is either \$511 or \$200 based on the reason for the leave.</p>	<p>Easily track earnings paid under this act through specific earning codes.</p> <p>Streamline balancing and reconciliation by leveraging payroll reports that have been automatically updated to reflect any tax credits earned on FFCRA paid leave.</p> <p>For Kronos Payroll Services customers, All FFCRA earnings and credits are automatically sent to MasterTax to simplify reporting on quarter-end and year-end returns.</p>
<b>Paid Expanded Family &amp; Medical Leave</b>	<p>Employees of employers with <b>fewer than 500 employees</b>, who have been on the job for at least 30 days, can take up to an additional 10 weeks of paid leave at 2/3<sup>rd</sup> their regular rate of pay if they are unable to work due to caring for a child whose school is closed or child care unavailable due to COVID-19.</p>	



## Coronavirus Aid, Relief and Economic Security Act (CARES)

The CARES Act provides businesses and individuals who have been impacted by COVID-19 with various forms of financial relief. The act was effective March 27, 2020.

Major Provision	Explanation	Kronos Solution
<b>Paycheck Protection Program (PPP)</b>	Allows for small businesses to obtain loans for up to 2.5 times their monthly operating cost and salaries, capped at \$10 million. Loans in this program can be forgiven if certain criteria are met. If an organization is granted loan forgiveness, that may impact their ability to take advantage of the Payroll Tax Deferral.	Easily access all required data and quickly produce the necessary reports needed to apply for the loan through our comprehensive Paycheck Protection Program guide.
<b>Payroll Tax Deferral</b>	<p>Employers may defer the deposit and payment of the employer's portion of Social Security Taxes and RRTA Tier 1 taxes.</p> <p>Payment of the deferred taxes are then payable 50% by December 31, 2021 and 50% by December 31, 2022.</p>	<p>Kronos Payroll Services clients can easily defer their portion of taxes through a quick support request.</p> <p>Streamline balancing and reconciliation by leveraging payroll reports that have been automatically updated to reflect the OASID deferred.</p>
<b>Student Loan Payment Suspension</b>	The federal government has suspended automatic collections on federal student loans, including loans that collected via involuntary deduction (wage garnishment) through September 30, 2020.	<p>Simply adjust the start date of applicable garnishments through our deductions manager feature.</p> <p>Kronos Payroll Services will return any funds to clients that were already processed.</p>



## Related Resources

Learn more about COVID-19 legislation and how Kronos is helping our clients through this challenging time.

### COVID-19 Legislation Resources



**Webinar:**

Families First Coronavirus Response Act of 2020



**Blog:**

4 CARES Act regulations payroll pros should care about



**Blog:**

10 key sites for real-time COVID-19 updates



**Blog:**

3 COVID-19 regulatory trends and how you can stay up to date

### Kronos Product Resources



**Discussion Group:**

4 CARES Act regulations payroll pros should care about



**Resource Center:**

4 CARES Act regulations payroll pros should care about

