



The Consolidated Appropriations Act of 2021

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For continued updated regulation information go to:

<https://b2esolutionsinc.com/covid-19-resources/>

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Welcome Back!

This material is not Legal or Tax Advice.

Employers should review this material with internal and/or external counsel.

This topic is subject to change rapidly –
additional changes should be anticipated



The Consolidated Appropriations Act of 2021

- “The Act” was signed into law on Dec. 27, 2020
- There are over 5,500 pages – covering not only the stimulus and relief provisions, but also the normal appropriations that are done every year.
- We will cover the areas we believe will most impact the service we provide our clients.
- We HIGHLY RECOMMEND that you review other areas which may impact your business with your CPA or other financial advisor.



The Consolidated Appropriations Act of 2021

- PPP Loan
- FFCRA Leave & Tax Credits
- Employee Retention Tax Credits
- Other Workplace Provisions



PPP Loan

What is it?

- Small Business Loan through the Paycheck Protection Program
- Initially started through the CARES Act
- Managed through the Small Business Administration
- Loans are eligible for up to 100% forgiveness if defined criteria are met

What's New/Changing?

- An additional \$284 billion set aside for PPP loans
- Expands allowable and forgivable expenses
- Simplified forgiveness application for loans under \$150k
- Allows PPP recipients to participate in the Employee Retention Credit
- Establishes a 2nd round of loans through March 31, 2021
- Addresses Business taxability of forgiveness

What's next?

- Contact your Lender, CPA and/or other financial professional
- B2E partnering with Adesso Capital - <https://b2esolutionsinc.com/adesso-apply-for-a-ppp-loan/>



FFCRA Leave & Tax Credits

What is it?

- Families First Coronavirus Response Act (FFCRA)
- Required Emergency Paid Sick Leave (EPSL) & Expanded Family Medical Leave (EFMLA) for defined reasons
 - EPSL – up to 80* hours paid at 100% for self care (up to \$511 per day) and 66% for family care (up to \$200 per day)
 - EFMLA – up to 10** weeks paid at 66% (up to \$200 per day) to care for a child whose school is closed due to COVID
- Refundable tax credit for eligible employers
 - Qualified leave wages
 - Associated Employer Medicare tax (wages are exempt from ER SS taxes)***
 - Allocable qualified Health Plan expenses
- Leaves taken April 1, 2020 – December 31, 2020

* or average hours worked in 2 weeks
** hours based on average hours worked

*** wages are exempt from RR Tier 1 and Medicare taxes, therefore no Medicare credit for Railroad employers



FFCRA Leave & Tax Credits

What's new

- Requirement to offer/pay leaves was not extended
 - Local, state, or other federal leaves may still apply
- Employers may continue to offer leaves through March 31, 2021
- If leaves are treated as if the FFCRA requirements were extended, employer is eligible for the same tax credits
- Offering must be consistent for all employees and match all FFCRA guidelines for eligibility
- New entitlements are NOT added – if time has already been used, it is not eligible for the tax credit, even if paid



FFCRA Leaves & Tax Credits

Are you going to continue offering?

YES

- This is the default – no notification needed!
- Accruals have been updated to carry over amounts – but please review
- Manual Monitor limits – there will be a warning to remind you
- Any earnings paid using the FFCRA earning codes WILL be reported as tax credits
- Request separate codes if paying over the covered limits

No

- Deactivation form
 - Stop Time off Requests
 - EE view of accruals
- Time off and earnings will remain for Admins
- All items under “Yes” still apply



Employee Retention Tax Credits

What is it?

- | Part of CARES Act – refundable tax credit equal to 50% of qualified wages (up to \$10k per employee) paid by an eligible employer between March 12, 2020 and December 31, 2020
- | Qualified wages are
 - | For employers up to 100 FTE employees in 2019: All paid wages
 - | For employers with more than 100 FTE in 2019: only wages paid when services were not preformed (i.e. paid wages when a plant was closed)
- | Eligible employers
 - | Did not have PPP; AND
 - | Experienced a full or partial closure due to governmental orders related to COVID-19; OR
 - | Experienced a significant decline in gross receipts (50% less than same quarter prior year)



Employee Retention Tax Credits

What's Changing?

Retroactive

- Back to March 12, 2020
- Employers who took a PPP loan are considered to be eligible for ERC
 - Same wages cannot be claimed under both provisions
 - There appears to be a specific order in which wages should be applied

First 2 quarter of 2021

- Calculation changes
 - 70% of qualified wages (vs. 50%)
 - Up to \$10k in qualified wages per employee, per quarter (vs. per year)
 - Qualified Wages definition threshold is now 500 FTE employees (vs. 100)
- Gross Receipt Test for eligibility
 - Continue to compare to 2019 (vs 2020)
 - Reduction of 20% (vs. 50%)



Employee Retention Tax Credits

What's Next?

- If you had the ERC in 2020, it will stop with your final 2020 payroll
- It will be a while before we have answers on how to handle
- Communication will come out early February on next steps for reporting
- Until then...
 - READ!!! Make sure you understand qualifications
 - Work with your CPA or accounting/Financial professional to confirm eligibility and how it will work with your PPP
 - For any retroactive calculations – please work with your accountant to determine what amounts to claim for each quarter *B2E will not be able to calculate these*



Other Workplace Provisions

- Health & Dependent Care Flexible Spending Arrangements may now be rolled over from 2020 to 2021 and from 2021 to 2022. Additionally, 2021 mid-year prospective changes in contribution amounts are permitted.
- Employer-provided Student loan repayment provisions have been extended through December 31, 2025.
- The Employer credit for paid family and medical leave act that was provided within the Tax Cuts and Jobs Act of 2017 has been extended through December 31, 2025 and applied to wages paid in taxable years beginning after December 31, 2020.
- The Work Opportunity Tax Credit is extended through December 31, 2025.
- There is an extension to unemployment.





Connecting **business** to **employee**

