



District Business and Advisory Services

Bulletin: 21-013

Date: September 10, 2020

To: District Fiscal Directors
District Human Resource and Payroll Managers
District Human Resource and Payroll Personnel

From: Dennis Loo, Supervisor – Payroll, Tax & Retirement

Re: Reporting Qualified Leave Wages Pursuant to Families First Coronavirus Response Act

The Families First Coronavirus Response Act (FFCRA) requires employers to provide employees with paid sick leave and to provide employees with expanded paid family and medical leave for those who are unable to work or telework for specific reasons related to COVID-19. On July 8, 2020, the Internal Revenue Services (IRS) issued [Notice 2020-54](#) which provides payroll reporting guidance on qualified leave wages under the FFCRA. Pursuant to the IRS notice, employers are required to report FFCRA qualified leave wages either on Form W-2, Box 14, or in a statement provided with Form W-2. In addition, these qualified leave wages are not subject to employer share of OASDI (social security tax).

There are three types of leave reporting that must be separately stated:

1. **Sick leave wages subject to full pay not to exceed \$511 per day limit.** Leave wages included in this category if the employee is unable to work or telework because the employee:
 - a. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
 - b. has been advised by a health care provider to self-quarantine related to COVID-19; or
 - c. is experiencing COVID-19 symptoms and is seeking a medical diagnosis.
2. **Sick leave wages subject to 2/3 pay not to exceed \$200 per day limit.** Leave wages included in this category if the employee is unable to work or telework because the employee:
 - a. is caring for an individual subject to an order described in (1a) or self-quarantine as described in (1b);
 - b. is caring for a child whose school or place of care is closed (or childcare provider is unavailable) for reasons related to COVID-19; or
 - c. is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor.
3. **Emergency family leave wages.** Leave wages included in this category if the employee is unable to work or telework because the employee is caring for a son or daughter whose school or place of care is closed or whose child care provider is unavailable for reasons related to COVID-19.

QCC will withhold the employer share of OASDI for school districts (except Fiscally Independent/Accountable districts) during each pay run. **To receive a refund on the employer share of OASDI on the qualified leave wages, please complete the attached from *Authorization and Order for FFCRA Employer Share of OASDI Refund* to report all qualified leave wages and submit to Dennis Loo at dloo@sccoe.org by the quarterly due date.** Quarters two and three are due to us on October 16, 2020. Quarter four is due to us on January 15, 2021. The credit will be refunded through the Form 941 filing process.

Also attached are a template spreadsheet for your internal tracking use and a template statement which can be sent along with the employees W-2.

Please distribute this memo within your District as deemed appropriate.

Santa Clara County  Office of Education

District Business & Advisory Services

Authorization and Order for FFCRA Employer Share of OASDI Refund

School District: _____

2020 Quarter Period: _____

Under the provision of IRS Notice 2020-54 and the Families First Coronavirus Response Act (FFCRA), I certify the total qualified sick leave wages below are exempt from the employer share of OASDI and would like to request a refund through form 941:

Total Qualified Sick Leave Wages under FFCRA: _____

Authorized Signers Signature: _____

Name: _____

Title: _____

Date: _____