

ADP COVID-19 Related Legislation Update

Reporting, Pay Codes, and Policies for COVID-19 Related Legislation

Hello,

Earlier this week we sent you an email including information about recent legislation related to COVID-19. We are writing today to inform you of new resources including reports, pay codes and policies, all available through ADP Workforce Now®.

You now have brand new codes and policies automatically available to you, to pay out and track emergency paid sick leave and expanded FMLA in accordance with the **Families First Coronavirus Response Act (FFCRA)**.

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) includes a provision – the Paycheck Protection Program (PPP) – that allows for companies with 500 or fewer employees to apply for loans backed by the Small Business Administration (SBA) to help assist with payroll funding and other challenges. Reports are available to assist you with determining Headcount and Monthly Payroll Cost.

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

The CARES Act provides federal government support to individuals, businesses, hospitals, and specific industries in dealing with the COVID-19 pandemic and its associated economic consequences.

COVID-19 Reports (Sample)

- Small Business Administration (SBA) **Head Count** and Small Business Administration (SBA) **Monthly Payroll Cost** reports are available to assist you in navigating the loan process.
- For more information, please refer to the following Bridge resources:
 - Small Business Administration (SBA) PPP Head Count:
<https://thebridge.adp.com/docs/DOC-13400>
 - Small Business Administration (SBA) PPP Monthly Payroll Cost:
<https://thebridge.adp.com/docs/DOC-13418>

Employer Social Security Tax Deferral

If you wish to defer employer Social Security taxes, as provided in the CARES Act, you **must notify ADP prior to processing your payroll**. There may also be restrictions with using the employer social security deferral if your company has taken advantage of other programs. Use of this deferral could make your company ineligible for other tax credits and loans. You are responsible for determining your eligibility for this deferral.

Families First Coronavirus Response Act (FFCRA)

The **FFCRA** generally requires employers with less than 500 employees to provide a certain amount of paid sick and paid leave to employees affected by COVID-19, and provides affected employers with a corresponding employment tax credit. In addition, the FFCRA temporarily expands Family and Medical Leave Act (FMLA) requirements to offer protected leave related to the coronavirus.

Coding Families First Pay in Workforce Now

The following codes in Workforce Now will assist you with tracking paid sick and paid leave in accordance with the FFCRA.

Payroll Codes

The following Hours/Earnings codes (along with Quarter to Date and Year to Date accumulators) may be used to pay FFCRA-related sick leave and expanded FMLA. These Hours/Earnings codes will not be included in Total Hours Worked. These codes are automatically exempt from employer Social Security taxes.

- Families First Employee Pay: **1FE**
- Families First Family Care Pay: **1FF**
- Families First FMLA Expansion: **1FA**

Essential Time Codes

If you utilize Essential Time, the following corresponding Pay Codes are available for all existing Pay Classes:

- Families First Paid Sick Leave: **FF-PSL-EE (Employee)**
- Families First Paid Sick Leave: **FF-PSL-FAM (Family Member)**
- Families First FMLA: **FF-FMLA**

Note: For clients that use ADP Enhanced Time, please contact your Enhanced Time service team for Pay Code assistance.

Workforce Now Time Off

If you utilize Workforce Now Time Off, the following Time Off policies are available with the required reason codes added and mapped to the appropriate Hours/Earnings and Pay Codes. If your company uses both Essential Time and Workforce Now Time Off, you will need to assign the time off policies to your employees first, before using these Pay Codes in your employees' timecards. **Practitioners have the ability to mass assign policies, import policy assignments, or individually assign policies to employees.**

Families First Paid Sick Leave – Full-time (with 80-hour time off award as of 4/1/2020)

- Reason code **Self** mapped to Hours/Earnings code **1FE** and Pay Code **FF-PSL-EE**
- Reason code **Family** mapped to Hours/Earnings code **1FF** and Pay Code **FF-PSL-FAM**

Families First Paid Sick Leave – Part-time (with no time off award/non-balance based policy)

- Reason code **Self** mapped to Hours/Earnings code **1FE** and Pay Code **FF-PSL-EE**
- Reason code **Family** mapped to Hours/Earnings code **1FF** and Pay Code **FF-PSL-FAM**

Families First FMLA (with no time off award/non-balance based policy)

- Reason code **FMLA** mapped to Hours/Earnings code **1FA** and Pay Code **FF-FMLA**

Families First Health Expense Credit

The following Memo code (along with Quarter to Date and Year to Date accumulators) may be used to record the Families First Health Expense Credit. To help you determine the amount to enter for this credit, please reference the IRS guidance, here:

<https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs>

- Families First Health Expense Credit: **1HC**

General Ledger Interface/GLI

Targeted for Saturday, April 4, 2020, if you utilize General Ledger Interface (GLI), four new payroll items will be added for you and available to map to accounts as needed.

- **Families First Employee Pay**, Type: **Earnings**, Payroll Code: **1FE**
- **Families First Family Care Pay**, Type: **Earnings**, Payroll Code: **1FF**
- **Families First FMLA Expansion**, Type: **Earnings**, Payroll Code: **1FA**
- **Families First Health Expense Credit**, Type: **Memo**, Payroll Code: **1HC**

Additional resources on the Bridge

For more detail on all of these codes, check out

<https://thebridge.adp.com/docs/DOC-13375>

For more detail on Policy Assignments, check out

<https://thebridge.adp.com/docs/DOC-13342>

Visit **The Bridge** to see all of the resources we have available regarding Coronavirus (COVID-19) and your business.

<https://thebridge.adp.com/docs/DOC-13271>

Check back on **The Bridge** frequently for updates, resources and the latest in hours and earning codes to help your payroll run smoothly.

As we continue to review and analyze legislation, we will provide additional information. Some aspects of the law need to be clarified by federal agencies.

ADP

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