

## Sage 300 US Payroll: Setting Up Pay Codes for FFRCA with Sage 300

### H.R. 6201 Families First Coronavirus Response Act

#### How to implement the Employer Paid Leave Requirements and track Tax Credit Provisions with Sage 300 US Payroll

The Federal Government has passed HR 6201, known as FFCRA, to provide relief to families directly affected by COVID-19. There are two distinct categories of employees who will qualify. These will remain in effect at this time till 12/31/2020. This document is to assist with the creation of codes to track as well as the means to report at the end of the year for Tax Credit purposes.

	Covered Employers	Duration of Leave	Qualifying Reasons for Leave	Required Wage Replacement	Applicability of: Division G – Tax Credits for Paid Sick and Paid Family and Medical Leave
<b>Division E – Emergency Paid Sick Leave</b>  Effective 15 days after enactment.  Expires 12/31/2020	<u>Private sector employers with fewer than 500 employees.</u>  Public sector employers with 1 or more employees.  Good cause exemption for employers with fewer than 50 employees. Applies to reason #5 only. (DOL Rule)	<u>Employer must provide 2 weeks</u> of paid sick leave for full-time covered employees.  Special rule for part-time employees.	1. Employee is subject to a Federal, state or local quarantine related to COVID-19. 2. Employee has been advised by a health care provider to self-quarantine. 3. Employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis. 4. Employee is caring for an individual who is subject to quarantine pursuant to 1 and 2. 5. To care for a child or children whose school or care provider is unavailable due to COVID-19. 6. Employee is experiencing a similar condition as specified by HHS, DOL or Treasury.	<u>Reasons #1-3:</u> Employee's regular rate of pay. Capped at \$511/day and \$5,110 total.  <u>Reasons #4-6:</u> 2/3 of employee's regular rate of pay. Capped at \$200/day and \$2,000 total.  Special rule for part-time employees.	Private sector employers with fewer than 500 employees may obtain a credit for wage replacement:  <u>Employers receive 100% payroll tax credit (refundable as needed)</u> for required paid sick leave wages plus certain health care expenses of the employer.  Special rule for self-employed.
<b>Division C – Emergency Family and Medical Leave</b>  Effective 15 days after enactment.  Expires 12/31/2020	<u>Private sector employers with fewer than 500 employees.</u>  Good cause exemption for employers with fewer than 50 employees. (DOL rule)	<u>Employer must provide 10 weeks</u> of paid family and medical leave for employees (employed for at least 30 days).  Special rule for part-time employees.	Employee is unable to work (or telework) due to a need for leave to care for a son or daughter under 18 years of age if the school or place of care has been closed, or the child care provider is unavailable, due to a public health emergency.	<u>Not less than 2/3 of regular rate of pay</u> based on # of hours scheduled to work. Capped at \$200/day and \$10,000 total.  Special rule for part-time employees.	Private sector employers with fewer than 500 employees may obtain a credit for wage replacement:  <u>Employers receive 100% payroll tax credit (refundable as needed)</u> for required paid family and medical leave wages plus certain health care expenses of the employer.  Special rule for self-employed.

To create the codes that will be needed you will need to access your Setup for the Payroll module in Sage 300 US Payroll. We suggest the creation of new earnings codes to handle the new pay. A Time Off Plan can be created to track time if needed and we can assist with adjustments to your accruals or time clock solutions.

**Source:** [natlawreview.com/article/COVID-19-analysis](https://natlawreview.com/article/COVID-19-analysis)

The FFCRA goes into effect April 2, 2020. There are two aspects to the act, Emergency Paid Sick Leave (EPSL) and Emergency Family Medical Leave Expansion Act (EFMLEA) that provides for Public Health Emergency Leave (PHEL)

### Emergency Paid Sick Leave

Under the Emergency Paid Sick Leave provision in Division E, government employers and employers with fewer than 500 employees must provide emergency paid sick leave (“EPSL”) to an employee who:

- Is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
- Has been advised by a healthcare provider to self-quarantine due to COVID-19 symptoms.
- Needs to obtain a medical diagnosis or receive care related to COVID-19 symptoms.
- Has to care for or assist an individual who is under self-quarantine or is subject to a quarantine order for COVID-19.
- Must care for a child if the school or place of care is closed or unavailable due to COVID-19.

The Act includes a miscellaneous provision that would allow for EPSL for certain conditions as specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor. Notably, the amended FFCRA allows employers to exempt health care providers and emergency responders from eligibility for EPSL.

EPSL is available to all employees as defined by the Fair Labor Standards Act (“FLSA”), regardless of the length of employment, and would extend to seasonal and temporary employees. Full-time employees are eligible for 80 hours of EPSL while part-time employees are eligible for a number of hours equal to the number of hours they work, on average, over a two-week period. Employees on a variable schedule will be provided an amount of EPSL equal to the average number of hours that the employee was scheduled per day over the previous 6-month period. EPSL is paid at a rate that is the greater of the employee’s regular rate of pay or the minimum wage rate in the employee’s jurisdiction, up to \$511 per day and \$5,100 in the aggregate, for leave taken on the basis of the employee’s own condition. For employees using EPSL to care for an

individual or for childcare reasons, EPSL is paid at a rate that is equal to two-thirds of the applicable EPSL rate, up to \$200 per day and \$2,000 in the aggregate.

### **Emergency Family Medical Leave Expansion**

This changes the standard FMLA for PHEL to include employees that have been on the job 30 days instead of the normal 12-month requirement. Similar to leave taken under other sections of the FMLA, the first ten days of PHEL may be unpaid, and an employer may allow, but not require, that some form of paid leave be substituted. As discussed in more detail below, under Division E of the FFCRA, eligible employees may elect to use emergency paid sick leave during this initial ten-day period. Though the FMLA provides only for unpaid leave, under the PHEL amendment employees will receive payments for leave extending beyond ten days. After the ten days of unpaid PHEL, employees will receive paid leave that will be no less than two-thirds of the employee's usual pay based on the employee's regular work schedule, up to \$200 per day and no more than \$10,000 in the aggregate. For employees with varying schedules, the FFCRA provides that the pay will be equal to the average number of hours per day that the employee was scheduled to work over the previous 6-month period.

### **Timekeeping Software**

If you're using software to track employee time, you have the option of adding these codes to that software as well, or just manually create timecards in Sage 300 payroll to pay employees.

### **Sage HRMS / ABRA**

There is a separate document if you use Sage HRMS or ABRA with Sage 300 that you can request if needed.

### **Simple setup in Sage 300 payroll using a Salary and Wage type code:**

*Note: An accrual code can be used if the employer wants to pre-determine the number of hours the employee is eligible for and manually accrue the hours.*

In Sage 300, set up two codes using the client's standard Hourly pay code as an example:

1. ESPL - Emergency Paid Sick Leave
  - a. Taxable
  - b. Confirm GL Distribution Codes with client
  - c. Use Employee's Hourly Rate unless daily payments exceed \$511 and \$5,100 in total
  - d. Determine how many hours the employee is eligible for, up to 80
2. PHEL - Public Health Emergency Leave
  - a. Taxable
  - b. Confirm GL Distribution Codes with Client
  - c. Use 2/3rds Employee's Hourly Rate limited to \$200 per day and \$10,000 in total
  - d. Determine how many hours the employee is eligible for during the 12 Week benefit period

Screen shots of ESPL setup (PHEL would be the same)

### Taxes

The screenshot shows the 'SAMINC - Payroll Earnings and Deductions' window. The 'Earning/Deduction' list shows 'ESPL' with a description of 'Emergency Paid Sick Leave'. The 'Basic Info' tab is active, displaying the following configuration:

- Short Description: ESPL
- Category: Earning
- Type: Salary & Wages
- Employee Calc. Method: Hourly Rate
- Frequency: Float
- Level: 10
- Starts: Date of Hire
- Ends: / /
- Last Maintained: / /
- Inactive as of: / /
- Print Earning/Deduction On Check:
- Subject to Workers' Compensation:
- Include in FLSA Overtime Calculation:

Buttons at the bottom include 'Add', 'Delete', and 'Close'.

GL Distribution Code(s)

SAMINC - Payroll Earnings and Deductions

File Help

Earning/Deduction: ESPL Description: Emergency Paid Sick Leave

Basic Info Employee G/L Dist Optional Fields

Employee Calc. Method: Hourly Rate

Hourly Rate: 0.00

Subject to the Following Taxes

Q Tax	Withholding Type
USFIT	Regular Rate
USFUTA	Regular Rate
USMED	Regular Rate
USSS	Regular Rate

Add Delete Close

SAMINC - Payroll Earnings and Deductions

File Help

Earning/Deduction: ESPL Description: Emergency Paid Sick Leave

Basic Info Employee G/L Dist Optional Fields

G/L Distribution

Code	Description	Q Regular Expense	Q Overtime Expense	Q Shift Expense
ALL	All Employees	6720	6720	6720

Add Delete Close

If you would like to have assistance with the setup of these codes, setting up accruals or setting up codes in your time clock solution, please feel free to reach out to us at our helpdesk and we will have one of our payroll specialists for Sage 300 reach out to assist you. Our helpdesk can be reached at:

**Helpdesk: [646.293.1777](tel:646.293.1777) | [helpdesk@netatwork.com](mailto:helpdesk@netatwork.com)**