PAY DATA™
WORKFORCE SOLUTIONS

Payroll Tips to Assist you When Paying Employees Using
Covid-19 Pay Codes

Revisions as of April 1,2021

The American Rescue Plan Act extended the use of Covid Sick and Covid Family codes and the FFCRA credits* to 9/30/2021.

Please note: Paying Covid Sick and Family wages to employees is optional.

*The paid leave credits under the ARP are tax credits against the employer's share of the Medicare tax. The tax credits are refundable, which means that the employer is entitled to payment of the full amount of the credits if it exceeds the employer's share of the Medicare tax.

KNOW YOUR COVID CODES

EC2 - COVID SICK*: Employees unable to work due to quarantine and/or experiencing COVID-19 symptoms & seeking diagnosis. **Covid Sick can also be used to provide paid leave for employees receiving Covid-19 vaccinations and for any time needed to recover from the vaccine**.

Compensation: Up to 80 hours of paid sick time at employee's regular rate of pay. Please see instructions below for calculating wages for salaried employees.

Limits: $511.00 per day & $5,110.00 in a 2-week period.

EC4 - COVID FMLA 2/3*: Extended leave due to Covid. These hours are paid at 2/3 of the employee's regular rate of pay.

Limits: The amount of the tax credit is capped at 12 weeks (480 hours). The daily value is capped at $200.00 per day, and the total credit value is capped at $12,000.00. See instructions below for calculating wages for salaried employees.

EC5 - COVID SICK-No Credit (Optional): Employees whose Employers wish to pay the remaining 1/3 of the employee's regular rate of pay.

Compensation: The remaining 1/3 of the employees' pay that is not covered by any of the above codes.

Limits: None.

EC6 – Covid Health Insurance Credit (Optional): The value of health insurance paid by employer to maintain the employee's health insurance coverage while the employee is unable to work due to Covid Sick or FMLA. For more information, please see the Department of the Treasury's website.

Click here for additional information from the IRS

EMPLOYEE SETUP – FFCRA TOA

Your company has been setup with two FFCRA TOA categories.

FFRCA Sick Plans – If you are paying your employees using the EC2 code, you must attach this code to the employee. (Employee/Time Off Accrual). You must also front load the balance for 80 hours of Sick time.

FFCRA FMLA – If you are paying your employees using the EC4 pay code, you must attach this FFCRA FMLA TOA category to the employee (Employee/Time off Accrual). You must also front load the balance for 480 hours of FMLA time.

Please make sure to review your employee's balances so that they do not go over the allotted 80 or 480 hours.

Browse | **Details**

Summary

? Type	Balance	Accrued	Used	Override Eff Date
FFCRA FMLA	480.00	480.00	0.00	
FFCRA Sick Plan	80.00	80.00	0.00	

Payroll Entry

If you have an employee that generally gets paid a salary, and you are paying them a pro-rated salary as well as Covid hours, you will need to enter the salary based on a pro-rated hourly rate of pay.

Normal Salary

? E/D Code	E/D Description	Hours/Pieces	Rate of Pay	Amount
E01	Salary		13.325	1,180.00

Pro- Rated Salary (must key as an hourly rate of pay) with Covid Code:

? E/D Code	E/D Description	Hours/Pieces	Rate of Pay	Amount
E01	Salary	20.00	13.325	266.50
E01	Salary	20.00	13.325	266.50
EC2	COVID Sick	40.00	13.325	533.00

The system is programmed to pay out maximum dollars based on the daily limits as indicated in the "Know Your Code" section above.

When posting the EC6 Covid-Health credit, the check lines will appear as a credit i.e., a negative amount. This is correct – do not change to a positive number. (Please refer to our website for calculating EC6 credits)

? E/D Code	E/D Description	Hours/Pieces	Rate of Pay	Amount
EC6	COVID Health...			-150.00
EC4	COVID FMLA ...	401.00	10.00	2,646.60

The employer tax credits will post during the processing of the payroll. If you have any questions regarding the credit amount, please reach out to our Finance Department at Finance@paydata.com

Attention: If you are keying a correction to back out Covid Codes and wages from a prior payroll, VERY Important, these entries must be posted in a separate check and posted as a Manual.

If you need assistance, please reach out to your Client Service Representative.