Client Alert: Tax Credits Available for Voluntary FFCRA Leave Granted Through March 2021

BY MARISSA • JANUARY 25, 2021

The requirement that employers provide paid sick leave and expanded family and medical leave under the Families First Coronavirus Response Act (FFCRA) expired on December 31, 2020. However, the most recent COVID-19 stimulus package, contained in the Consolidated Appropriations Act, 2021, created a voluntary extension of FFCRA leave for time off taken by employees up through March 31, 2021. Accordingly, while not currently required to do so, employers can voluntarily choose to grant employees FFCRA paid leave through March 31, 2021. Employers who choose to provide this voluntary FFCRA paid leave can also apply for and receive tax credits for this leave.

Notably, this new legislation has not increased the total FFCRA leave allotment for employees. Accordingly, employers are not able to receive tax credits for leave granted to employees who already exhausted their FFCRA leave in 2020.

CLIENT TIP

Employers can consult Question Nos. 104 and 105 in the U.S. Department of Labor's Wage and Hour Division FFCRA Q&A Guidance for information about this voluntary FFCRA leave extension and the expiration of mandatory FFCRA leave. Stay tuned for updates regarding any future legislation extending or altering FFCRA leave.

©2026 Bowditch & Dewey LLP. All Rights Reserved.