

**New Round of COVID-19 Relief: Voluntary Extension of FFCRA Leaves, Refundable Tax Credits  
Continuation and Expansion of Unemployment Benefits**

On December 27, 2020, President Trump signed into law Congress' Stimulus Bill with a new round of COVID-19 pandemic relief and stimulus measures (the "Stimulus Bill"). Among the provisions of particular importance for employers are the voluntary extension of leave benefits and refundable tax credit continuation under the Families First Coronavirus Response Act ("FFCRA"), and the continued unemployment benefits under the CARES Act.

**Voluntary Extension of FFCRA Paid Leave and Refundable Tax Credit Continuation**

Congress did not extend beyond December 31, 2020 the FFCRA's paid sick leave and extended family and medical leave provisions, although the FFCRA refundable tax credit for paid sick and family and medical leave were extended through March 31, 2021. Employers who wish to provide more generous benefits may voluntarily allow employees who have not yet exhausted their FFCRA allotment to enjoy the unused leave if such leave would otherwise be covered by the FFCRA. In turn, employers who provide such greater benefits will receive the corresponding refundable tax credit. The Stimulus Bill also provides eligible self-employed individuals with paid sick and paid family leave benefits under the FFCRA through March 14, 2021. The individual would receive a 100% tax credit made available on his or her tax return.

In this novel scenario, employers need to evaluate their next steps, develop communication strategies for employees currently on leave and update policies as necessary to ensure employees have adequate protections to avoid spreading the virus to others, recuperate and return safely to the workplace.

**Extension of Unemployment Benefits**

The Stimulus Bill also expands unemployment assistance for employees, independent contractors and other self-employed individuals for an extra 11 weeks. The *Continued Assistance for Unemployed Workers Act of 2020* included in the Stimulus Bill, provides for an extension of the CARES Act unemployment provisions from December 31, 2020 until March 14, 2021, including those related to the Pandemic Unemployment Assistance (PUA). The Stimulus Bill, however, limits the PUA to \$300 per week instead of the original \$600 per week. Also, under the Stimulus Bill, eligible PUA recipients may receive an additional \$300 per week through the end of the extension period.

The amendments to the CARES Act also provide that certain unemployed and underemployed independent contractors with a mix of self-employed and wages paid by employers are eligible for additional weekly benefits, depending on their income. Since there is likely to be an influx of unemployment claims, employers with these types of workers should be vigilant to the unemployment claims received. If left unattended such claims may trigger increases in unemployment taxes and/or other audits regarding employment classifications, among others.

Our COVID-19 multidisciplinary taskforce comprised of practitioners in our different departments, including Labor and Employment, is available to assist you address the legal and practical considerations pertaining to this evolving topic.

*This document has been prepared for information purposes only and is not intended, and should not be relied upon, as legal advice. If you have any questions or wish to obtain more information related thereto, or about its possible effect(s) on policy or operational matters, please contact us at your convenience.*

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