ESCAPE TRACKING AND REPORTING COVID-19 LEAVES
I. PURPOSE

This notice provides guidance to employers on the requirement to report the amount of qualified sick leave wages and qualified family leave wages paid to employees under the Families First Coronavirus Response Act (Families First Act), Pub. L. No. 116-127, 134 Stat. 178 (March 18, 2020). **Employers will be required to report these amounts either on Form W-2, Box 14, or on a separate statement.** This required reporting provides employees who are also self-employed with information necessary for properly claiming qualified sick leave equivalent or qualified family leave equivalent credits under the Families First Act.

II. BACKGROUND

The Families First Act generally requires employers with fewer than 500 employees to provide paid leave due to certain circumstances related to the Coronavirus Disease 2019 (COVID-19) through two separate provisions: the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act.

Division E of the Families First Act, the Emergency Paid Sick Leave Act (EPSLA), requires certain employers to provide employees with up to 80 hours of paid sick leave if the employee is unable to work or telework because the employee:
Escape - Tracking COVID-19 Leaves

With the President’s signature on the Families First Coronavirus Response Act (HR6201), which includes the Emergency Paid Sick Leave Act (EPSL) and the Emergency Family and Medical Leave Expansion Act (EFMLA), we started receiving questions about tracking COVID-19-related sick leave.

It is recommended to setup a new leave balance so that you can track usage via reports and make pay corrections as necessary.

When setting up a new leave, there are a few items to consider, like granting versus not granting, paying at full scale or paying at two-thirds salary. Here is a basic overview of setting up a new leave with a few tips on how to manage the leaves.

If you have any questions or need assistance, please send email to helpdesk@scoe.org.

STEP 1 - Create the Leave Balance

Leave balance codes are used in the leave type. You must create a leave balance for each balance that will be maintained (e.g., vacation, sick, personal necessity). What you are doing here is simply creating a code that you can use.
**STEP 2 - Create the Leave Type**

Leave types define which balances to decrease when a leave of this type is taken. There should be three different leave types base on the Leave Wage Category being reported. What you are doing here is placing the code you created in Step 1 into a balance that can be displayed in the Employee Online Portal (optional) and tracked and granted (optional).

*Notice how the Balance Code matches the entry in Step 1.*

**TIP:** If you are granting, you could enter your sick leave balance into the Alt Balance Code field in the Leave Type or the Transfer Balance field in the Leave Balance Profile, depending on your needs. Both of these choices have important implementation considerations. Please see the documentation for more information before implementing.

*Set up three leave types to accommodate the FFCRA Leave Wage Category reporting requirements.*
FFCRA Leave Types/Reason

Under the FFCRA, an employee qualifies for paid sick time if the employee is unable to work (or unable to telework) due to the employee’s need for leave because of:

<table>
<thead>
<tr>
<th>#</th>
<th>Leave Type/Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subject to a Federal, State, or local quarantine or isolation order related to COVID-19;</td>
</tr>
<tr>
<td>2</td>
<td>Has been advised by a health care provider to self-quarantine related to COVID-19;</td>
</tr>
<tr>
<td>3</td>
<td>Is experiencing COVID-19 symptoms and is seeking a medical diagnosis;</td>
</tr>
<tr>
<td>4</td>
<td>Is caring for an individual subject to an order described in (#1) or self-quarantine as described in (#2)</td>
</tr>
<tr>
<td>5</td>
<td>Is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or</td>
</tr>
<tr>
<td>6</td>
<td>Is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury</td>
</tr>
</tbody>
</table>

Under the FFCRA, an employee qualifies for expanded family leave if the employee is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19.

Leave Reporting Types

Employers must separately state the total amount of qualified leave wages for the following three categories:

<table>
<thead>
<tr>
<th>#</th>
<th>Leave Wage Category</th>
<th>FFCRA Leave Type/Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sick Leave wages subject to full pay not to exceed $511 per day limit</td>
<td>1, 2, or 3</td>
</tr>
<tr>
<td>2</td>
<td>Sick Leave wages subject to ¾ pay not to exceed $200 per day limit</td>
<td>4 or 6</td>
</tr>
<tr>
<td>3</td>
<td>Emergency family leave wages subject to ¾ pay not to exceed $200 per day limit</td>
<td>For leave reason 5</td>
</tr>
<tr>
<td></td>
<td>(Additional 10 weeks beyond 2 weeks)</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
- Ends December 31, 2020
- For additional information refer to U.S. Department of Labor Families First Coronavirus Response Act: Employee Paid leave Right (Families First Coronavirus Response Act)

*The information above is not a legal document. Please refer to the Districts Legal Counsel with any questions.*
**STEP 3 - Create the Leave Balance Profile**

Leave balance profiles define rates and intervals for granting and rules for carryover. What you are doing here is defining, in detail, how the leave balance is going to work. This is where you can define granting and other rules.

You are going to need to create a Leave Balance Profile for each Leave Group that you see in the lookup.

![Image of HR Payroll Setup Leave Balance Profiles]

**TIP:** There are several options for this step and beyond. Your setup depends on your district practices and procedures.

- **Granting** - You would want to review the following fields:
  - **Basis** - You could set this to a flat amount (80).
  - **Occurs** - You could set this to July (applies to entire year).
  - **Timing** - You could set this to Flat Rate.
  - **Prorate on FTE** - You could set this to YES so that each employee’s rate is based on their FTE.
  - **Mid-Year Service Change** - You could set this to “4- No change based on time worked” because every employee gets the same amount based on FTE.
**Leave Report to Track COVID-19**

The Leave Transactions (Leave01) report is simple and powerful report and will be used in the W2 Adjustment Box 14 Reporting. Refer to *Escape W2 Adjustment Reporting on page 8.*

Enter a few parameters and get the data quickly. While this report has a lot of parameters and several sort options — including employee, location, supervisor, and Excel output — it is really nice to enter only a single parameter (Leave Balance) and get the data you need.

Example report with all defaults, only entering the new COVID19 leave balance as a parameter.
COVID-19 PAY FOR FMLA/Emergency Family Leave

When an employee is out on COVID leave to care for another individual the 2/3 pay rule applies. Using the COVID addons will report the pay earned in W2 Box 14. The recommendation is to back out the regular earnings using the DOCKD and DOCKH addons with negative units, and then post the COVID FMLA earnings using the COVID addons for correct reporting.

- Enter negative units using DOCKD or DOCKH
- Enter positive units using COVID addon

Example:

![Image of the payroll screenshot showing earnings and reductions]

Send email to helpdesk@scoe.org to have COVID addons set up.
Escape W2 Adjustment Reporting of COVID-19 Leaves

STEP 1a – Leave01 – Leave Transactions Report

The Leave01 – Leave Transaction Report will reflect the usage detail for auditing purposes.

Go to HR/Payroll – Reports - Leave

Search Criteria:

- **Created Date** – 01/01/2020..12/31/2020
- **Leave Balances** – COVID19D, COVID19F (can vary by District)
- **Limit Leave Balances?** – No – DO NOT limit Leave Balances
- **Transaction Type** - Usage
STEP 1b – Leave08 – Leave Transactions Summary

The Leave08 – Leave Transaction Summary will reflect the usage summary for auditing purposes and populate information needed to build an Excel file for total wages to report.

**Go to HR/Payroll – Reports - Leave**

Search Criteria:

- **Starting Date** – 01/01/2020
- **Ending Date** – 12/31/2020
- **Show Neg?** – Yes – include negative totals
- **Show Zero?** – No – Do NOT include zero Totals
- **Sort/Group1** – Bargaining Unit
- **Column Options**
  - **Transaction Type** – Usage
  - **Column 1** - COVID19D (can vary by District)
  - **Column 2** - COVID19F (can vary by District)

Choose Go/Export to Excel Data and Save the Excel file
STEP 2 – Pay29 – Pay Rates for Employees

The Pay29 – Pay Rates for Employees will provide rate information needed to build the Excel file for total wages to report.

Go to HR/Payroll – Reports - Payroll

Search Criteria:

- **Active Date** – 12/31/2020
- **Bargaining Unit** – optional additional filter

Choose Go/Export to Excel Data and Save the Excel file
STEP 3 – Create Additional Pay Import file

Even though the dollars are being posted through the Additional Pay/Adjust Payroll activity, the addon and earnings table are set to report to Box 14 on the W2 and NOT AFFECT GROSS WAGES.

Go to Activities - Online Resources – Tools – Import Templates – Additional Pay Import

Populate Template

- **EmpID** – from Pay29 – Pay Rates for Employees report
- **Addon** – Enter CVDLVADJ
- **Units** – from Leave08 – Leave Transaction Summary report
- **Rate1** – **Hourly Rate** from Pay29 – Pay Rates for Employees report
- **Effective Date** – 12/31/2020
- **Comment** – COVID Leaves CY2020

Save as CSV file format
STEP 4 – Create and Post Additional Pay Batch

Go to HR/Payroll – Employment – Additional Pay

Search Criteria:

- **Pay Date** – 12/30/2020
- **Description** – COVID Box 14 W2 Adj
- **File Name** – Use drop down menu to find CSV file
- **Primary Pay Cycle?** – Yes
- **Pay Cycle** – CL2J or CE2J
- **Pay Period** – 6 {Paid 12/30/2020 (Future)}

Save/Close

Use Tasks to **Submit**

Use Tasks to **Post Addon Pay**
STEP 5 – Confirm Adjustment Posted as Expected

Go to HR/Payroll – Payroll – Adjust Payroll

Search Criteria:
- Addon – CVDLVADJ
- Pay Date – 12/30/2020

Review snapshot. Dollar amount should populate under the Other column

Subject Gross should not include the total adjustment
EMPLOYEE RIGHTS
PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

PAID LEAVE ENTITLEMENTS
Generally, employers covered under the Act must provide employees:
Up to two weeks (80 hours, or a part-time employee’s two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:
- 100% for qualifying reasons #1-3 below, up to $511 daily and $5,110 total;
- 2/3 for qualifying reasons #4 and 6 below, up to $200 daily and $2,000 total; and
- Up to 12 weeks of paid sick leave and expanded family and medical leave paid at 2/3 for qualifying reason #5 below for up to $200 daily and $12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

ELIGIBLE EMPLOYEES
In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19
An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to telework, because the employee:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. has experienced COVID-19 symptoms and is seeking a medical diagnosis;
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or
6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services.

ENFORCEMENT
The U.S. Department of Labor’s Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.

For additional information or to file a complaint:
1-866-487-9243
TTY: 1-877-889-5627
dol.gov/agencies/whd