

FFCRA

Business Tax Credits (Client)

Overview

The FFCRA Business Tax Credit functionality is available. This FFCRA credit will calculate based on the total of the following:

- All wages paid under COVID-19 Sick earning type
- All wages paid under COVID-19 FMLA earning type
- All memo calculations under Qualified Health Plan Expense Sick
- All memo calculations under Qualified Health Plan Expense FMLA
- Employer Medicare on the wages above

The System will automatically accumulate will these totals along with the employer Medicare on these designated earning types.

Form 7200 Advanced Payment of Employer Credits Due to COVID-19

If you plan on taking the Advanced payment credit on Form 7200, it is **imperative you contact your customer service representative prior to processing your payroll.**

The system will automatically apply any credits to any outstanding credits (if any) and give you the figures on the Business Credits screen for completing this form.

Credit Calculation and Application

The credit amount is calculated upon payroll processing. The credit includes any COVID-19 designated earning types, any COVID-19 memo codes and an additional credit for employer Medicare based on the designated Covid-19 earning type wages.

Here is how the credit is applied:

1. The FFCRA credit will apply after the federal Small Business Research Credit, if applicable.
2. FFCRA credits will always apply to the current Federal Tax Liability
3. Per legislation, any remaining balance at quarter end is to be treated as an overpayment and refunded.

***Guidance on Federal filing forms is still pending.



110 E. Wilson Bridge Rd. Suite 260 Worthington, Ohio 43085
614-545-6955 | www.strategicpayrollsolutions.com



Business Tax Credits

After a payroll processes, you can see the applicable credit under Client Management > Taxes > Business Credits. A credit will be separate based on the earning type reported. Here is a credit for COVID-19 Sick earning type along with Qualified Health Plan Expense Sick.

Credit Details	Other Details
* Credit Type: FFCR Act - SickPay	Qualified Employee Sick Payments: 1950.00
* Total Credit Amount: 1978.28	Employer Medicare Credit on Payments: 28.28
Credit Previously Utilized: 0	Qualified Employer Health Plan Expenses: 0
Remaining Balance: 210.43	Request of Advance payment of Employer Credit: 0
Requested Advance Payment	
Date Entered: 4/21/2020	* Filing Type: Form 941
Notes:	* Pay Date: 6/25/2020

Here is a credit for COVID-19 FMLA earning type along with Qualified Health Plan FMLA.

Credit Details	Other Details
* Credit Type: FFCR Act - FMLA	Qualified Family Leave Payments: 1900.95
* Total Credit Amount: 2128.51	Employer Medicare Credit on Payments: 27.56
Credit Previously Utilized: 0	Qualified Employer Health Plan Expenses: 200.00
Remaining Balance: 2128.51	Request of Advance payment of Employer Credit: 0
Requested Advance Payment	
Date Entered: 4/21/2020	* Filing Type: Form 941
Notes:	* Pay Date: 6/25/2020

The fields available on the **Business Credits** screen for the FFCRA credit are:

- **Credit Type:** FFCR Act -Sick Pay and/or FFCR Act – FMLA
- **Total Credit Amount:** Calculated as a result of the FMLA/Sick pay accumulator, employer Medicare credit and Qualified Health plan sick of FMLA memo accumulators.
- **Credit Previously Utilized:** Used to record amounts of Advance payment requests. Reduces the remaining balance. The amount of advance refund is requested on IRS Form 7200.
- **Remaining Balance:** Calculated as a result of Total Credit less Credit Previously Utilized. This balance will decrement based on advance payments and credit transactions applied to future liabilities. See transaction history for details.
- **Request Advance Payments:** This button can be selected at any time to indicate that the employer has requested the remaining balance on Form 7200.

Credit Details	Other Details
* Credit Type: FFCR Act - FMLA	Qualified Family Leave Payments: 1900.95
* Total Credit Amount: 2128.51	Employer Medicare Credit on Payments: 27.56
Credit Previously Utilized: 0	Qualified Employer Health Plan Expenses: 200.00
Remaining Balance: 2128.51	Request of Advance payment of Employer Credit: 0.00
Requested Advance Payment	
Date Entered: 4/21/2020	* Filing Type: Form 941
Notes:	* Pay Date: 6/25/2020

- When **Request Advance Payment** is selected, it will automatically populate the **Credit Previously Utilized** and the **Request of Advance Payment of Employer Credit** with the full amount of the credit available. This credit will no longer be available for future payroll processing credits.

- Once selected, the screen changes to **Revert Advance Payment**. This can be used to take it back to the original if the requested advance payment was selected in error.

- Date Entered:** System date based on the date the credit was saved; or payroll processed.
- Notes:** Optional up to 75 characters
- Qualified Family Leave Payment:** Based on pay items processed in payroll run. Also, included in the calculation of Total Credit Amount and Remaining Balance.
- Employer Medicare Credit on Payment:** Calculated field based on COVID-19 earning types multiplied by 1.45%. Also, included in the calculation of Total Credit Amount and Remaining Balance.
- Qualified Employer Health Care Expense:** Based on memo item for Qualified Health Plan Expenses Sick/FMLA as per the payroll run. Also, included in the calculation of Total Credit Amount and Remaining Balance.
- Request of Advance Payment of Employer Credit:** Used to record amounts of Advance payment requests. Reduces the remaining balance. The amount of advance refund is requested on IRS Form 7200.

Note: A report can be run for all Business Credits and Transaction History using the **Export (CSV)** feature on the left-hand side of the blue action bar on each tab.

Payroll Process

All earning types reported under the COVID-19 Sick or FMLA pay types will be available on your Payroll Register Company Total Page.

- Here is example when the Advance Payment of COVID-19 Credits is left blank.

Company Total													
Employees Paid:	9	Voids/Manuals Included:	None	Total Net Pay:	2,871.06	Total Check Amount:	2,871.06	Active:	9				
Live Checks:	9	Check Numbers:	10047 - 10055	Live Check Net Pay:	2,871.06	Live Check Amount:	2,871.06	Inactive:	0				
Vouchers:	0	Direct Deposit Vouchers:	None	Direct Deposits:	0	Total Direct Deposit:	0.00	Terminated:	4				
Earning	Rate	Hours	Dollars	YTD Hours	YTD Dollars	Deductions	Current	YTD	Taxes	Wage	Tax	YTD Wage	YTD Tax
Regular		131.50	1,467.00	1,502.83	17,202.60				SOC SEC EE	3,409.95	211.43	20,299.15	1,258.55
Overtime - Ben		0.00	0.00	62.23	1,153.60				MED EE	3,409.95	49.45	20,299.15	294.34
COVID-19 Sick		60.00	746.00	60.00	746.00				FEDERAL WH	3,409.95	135.14	20,299.15	970.06
COVID-19 Family		100.00	699.37	100.00	699.37				NEW YORK WH	3,409.95	73.76	20,299.15	535.93
COVID-19 FMLA		60.00	497.58	60.00	497.58				NEW YORK SSI EE	3,409.95	5.40	20,299.15	27.00
Qualified FMLA*		0.00	50.00	0.00	50.00				NEW YORK PPL	3,409.95	9.21	20,299.15	54.86
Qualified Sick*		0.00	225.00	0.00	225.00				NEW YORK	3,409.95	54.50	20,299.15	389.30
Totals:		351.50	3,409.95	1,785.06	20,299.15	Totals:	0.00	0.00	Totals:	3,409.95	538.89	20,299.15	3,530.84

Based on the screen print above, the total FFCRA credit for this payroll is calculated:

- \$699.37 COVID-19 Family + \$746.00 COVID-19 Sick + \$497.58 COVID-19 FMLA = \$1942.95
- Employer Medicare - \$1942.95 X 1.45% = \$28.17
- \$50.00 Qualified Health Plan FMLA + \$225.00 Qualified Health Plan Sick = \$275.00
- Total Credit = \$2246.12

The total Federal liability this payroll is computed:

Business Credits		
◆ Credit Type	◆ Amount	◆ Balance
FFCR Act - SickPay	1691.33	1006.10
FFCR Act - FMLA	554.79	554.79

- Employee Federal taxes - \$211.43 + \$49.45 + \$135.14 = \$396.02
- Employer Medicare taxes - \$3409.95 X 1.45% = \$49.45
- Employer Social Security taxes - \$3409.95 - \$1942.95 SS Exempt = \$1467.00 X 6.2% = \$90.96
- Tax Adjustment = \$536.43

Federal Deposits	CURRENT		
	Wages	Taxes	Wages
FEDERAL WH	3,409.95	135.14	16,189.15
MED EE (1.450000%)	3,409.95	49.45	16,189.15
MED ER (1.450000%)	3,409.95	49.45	16,189.15
SOC SEC EE (6.200000%)	3,409.95	211.43	16,189.15
SOC SEC ER (6.200000%)	1,467.00	90.96	14,246.20
Total Federal Deposits		536.43	

Here is the result on the Business Credit screen for the FFCR Act-Sick Pay:

Detail	Transaction History	Payroll Run#	Payroll Date
Amount Processed		7	04/23/2020
536.43			

Here is the result on the Business Credit screen for the FFCR Act-FMLA. No transaction history.

Credit Details

* Credit Type: FFCR Act - FMLA

* Total Credit Amount: 554.79

Credit Previously Utilized: 554.79

Revert Advance Payment

Remaining Balance: 0

Date Entered: 4/9/2020

Other Details

Qualified Family Leave Payments: 497.58

Employer Medicare Credit on Payments: 7.21

Qualified Employer Health Plan Expenses: 50.00

Request of Advance payment of Employer Credit: 554.79

* Filing Type: Form 941

* Pay Date: 4/23/2020

The remaining Business Credit for FFCR Act FMLA/Sick is \$1709.69

- Here is example when the Advance Payment of COVID-19 Credits is marked with a Y. Your customer service representative will add this indicator once you advised them you will be applying for the Advance Payment on Form 7200.

Company Total													
Employees Paid:	5	Voids/Manuals Included:		None	Total Net Pay:	996.80	Total Check Amount:	996.80	Active:	9			
Live Checks:	5	Check Numbers:		10056 - 10060	Live Check Net Pay:	996.80	Live Check Amount:	996.80	Inactive:	0			
Vouchers:	0	Direct Deposit Vouchers:		None	Direct Deposits:	0	Total Direct Deposit:	0.00	Terminated:	4			
Earnings:	Rate	Hours	Dollars	YTD Hours	YTD Dollars	Deductions	Current	YTD	Taxes	Wage	Tax	YTD Wage	YTD Tax
Regular	30.00		304.50	1,532.83	17,507.40				SOC SEC EE	1,139.58	70.65	21,438.73	1,329.20
Overtime - Blem	0.00		0.00	62.25	1,155.60				MED EE	1,139.58	16.52	21,438.73	110.86
COVID-19 Sick	0.00		0.00	60.00	746.00				FFCR Act WH	1,139.58	26.22	21,438.73	996.28
COVID-19 Family	0.00		0.00	100.00	699.37				NEW YORK WH	1,139.58	12.95	21,438.73	548.88
COVID-19 FMLA	120.00		835.08	180.00	1,332.66				NEW YORK Sick P	1,139.58	2.91	21,438.73	29.91
Qualified FMLA*	0.00		150.00	0.00	200.00				NEW YORK PPL	1,139.58	3.07	21,438.73	57.93
Qualified Sick*	0.00		0.00	0.00	225.00				NEW YORK	1,139.58	10.46	21,438.73	399.76
Totals:		150.00	1,139.58	1,935.06	21,438.73	Totals:	0.00	0.00	Totals:	142.70			3,672.82

Based on the screen print above, the total FFCRA credit for this payroll is calculated:

- \$835.08 COVID-19 FMLA = \$835.08
- Employer Medicare - \$835.08 X 1.45% = \$12.11
- \$150.00 Qualified Health Plan FMLA = \$150.00
- Total Credit = \$997.19

Business Credits		
Credit Type	Amount	Balance
FFCR Act - SickPay	1691.33	1006.10
FFCR Act - FMLA	554.79	554.79
FFCR Act - FMLA	997.19	0.00



The total Federal liability this payroll is computed:

- Employee Federal taxes - \$70.65 + \$16.52 + \$26.22 = \$113.39
- Employer Medicare taxes - \$1139.58 X 1.45% = \$16.52
- Employer Social Security taxes - \$1139.58 - \$835.08 SS Exempt = \$304.50 X 6.2% = \$18.89
- Tax Adjustment = \$148.80

The tax adjustment will apply to any previous FFCRA Act Business Credits and any Remaining Balances will be available for any future credits. See below:

Detail	Transaction History		
* Amount Processed		* Payroll Run#	* Payroll Date
536.43		7	04/23/2020
148.80		8	04/30/2020

The Remaining Balance will track the credits applied.

Credit Details

* Credit Type: FFCR Act - SickPay

* Total Credit Amount: 1691.33

Credit Previously Utilized: 0

Remaining Balance: 510.07

Requested Advance Payment

Date Entered: 4/9/2020

Notes:

However, since the new Payroll run had selected Advance Payment of COVID-19 Credits, the Business Credits will be marked accordingly with the amount not applied in the Request of Advance payment of Employer Credits and Credit Previously Used. The Form 7200 will need to be processed manually with the information below.

Credit Details

* Credit Type: FFCR Act - FMLA

* Total Credit Amount: 997.19

Credit Previously Utilized: 997.19

Remaining balance: 0

Date Entered: 4/9/2020

Notes:

Revert Advance Payment

Other Details

Qualified Family Leave Payments: 835.08

Employer Medicare Credit on Payments: 12.11

Qualified Employer Health Plan Expenses: 150.00

Request of Advance payment of Employer Credit: 997.19

* Filing Type: Form 941

* Pay Date: 4/30/2020

Reporting

We have added a report titled "FFCR Act Business Credits." This report lists credits calculated, as well as the pay period of when the credit was taken during the date range selected.

Navigate to Reporting > Client Reports. In the search field, key "FFCR." The new report is titled "FFCR Act Business Credits." Click on the report name. On the right side of the screen:

- **Enter From Date/To Date:** The range of dates you want to view the credits.
- **Legal Company:** If left blank, the report will generate for all legal companies. Select one legal company to filter per legal company.
- **Options:** This report is "Excel" only.
- Click on **Generate Report**.
- Click "Go to My Reports Queue."
- Click on **View Report**.

The report will include the following details:

Company Code	Company Name	Credit Type	Total Credit Amount	Qualified Amount	Employer Medicare Credit on Payments	Qualified Health Plan Expense	Filing Type	Notes	Entry Date	Entered Payroll Run #	Entered Pay Date	Processed Payroll Run #
2005	Joan's New Company Inc	FFCR Act - FMLA	554.75	497.50	7.21	50.00	Form 941		4/9/2020	7	4/23/2020	
2005	Joan's New Company Inc	FFCR Act - FMLA	997.19	826.00	12.11	160.00	Form 941		4/9/2020	8	4/30/2020	
2005	Joan's New Company Inc	FFCR Act - FMLA	1,014.50	1,000.00	14.50	0.00	Form 941		4/9/2020			
2005	Joan's New Company Inc	FFCR Act - FMLA	549.45	541.60	7.85	0.00	Form 941		4/15/2020	9	5/17/2020	
2005	Joan's New Company Inc	FFCR Act - Sick Pay	1,691.33	1,445.37	20.96	225.00	Form 941		4/9/2020	7	4/23/2020	7
2005	Joan's New Company Inc	FFCR Act - Sick Pay	1,691.33	1,445.37	20.96	225.00	Form 941		4/9/2020	7	4/23/2020	8
2005	Joan's New Company Inc	FFCR Act - Sick Pay	1,691.33	1,445.37	20.96	225.00	Form 941		4/9/2020	7	4/23/2020	9
2005	Joan's New Company Inc	FFCR Act - Sick Pay	426.25	420.17	6.09	0.00	Form 941		4/15/2020	9	5/17/2020	



110 E. Wilson Bridge Rd. Suite 260 Worthington, Ohio 43085
614-545-6955 | www.strategicpayrollsolutions.com

