

## Vista - FAQs Regarding FFCRA (April 2020)

Viewpoint held a series of webinars on the Families First Coronavirus Response Act (FFCRA), enacted into law April 1 - December 31, 2020, and how to accommodate the new sick and paid leaves in Vista. We received a lot of great questions, in addition to those received by our Support team. Below we have consolidated the questions and provided answers.

Additionally, please refer to the Vista Knowledge Base article for detailed information regarding the specific steps for setup and processing.

**IMPORTANT!** Viewpoint is providing this information as a courtesy and is not intended to reflect financial or legal guidance. Please consult with your CPA or Tax Attorney for specific questions regarding the impacts of FFCRA and your business.

### Summary of Families First Coronavirus Response Act (FFCRA)

#### FFCRA Eligibility

All employees of private employers with 500 employees or less, regardless of how long they've been employed, are eligible for up to 10 days of emergency paid sick leave. Employees will be eligible if they are unable to work (or telework) because:

1. The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
4. The employee is caring for an individual who is subject to (1) or (2) above.
5. 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

6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

If a business makes a decision to close or cancel work shifts for business reasons (i.e., lack of work), neither emergency paid sick leave nor expanded family leave will apply as they are available only to employees who are not working due to the specified reasons listed above, not including their employer's decision to cease or reduce operations.

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### Duration of Leave

**For reasons (1)-(4) and (6):** A full-time employee is eligible for up to 80 hours of leave, and a part-time employee is eligible for the number of hours of leave that the employee works on average over a two-week period.

**For reason (5):** A full-time employee is eligible for up to 12 weeks of leave at 40 hours a week, and a part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period. Note that the 12 weeks is broken out into 2 weeks of EPSL and the remaining 10 weeks of EFMLA.

### Pay Rate

**For leave reasons (1), (2), or (3):** employees taking leave shall be paid at either their regular rate or the applicable minimum wage, whichever is higher, up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).

**For leave reasons (4) or (6):** employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$2,000 in the aggregate (over a 2-week period).

**For leave reason (5):** employees taking leave shall be paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day. Emergency Paid Sick Leave is capped at \$2,000 and Emergency FMLA is limited to \$10,000.

## Tax Credits

Covered employers qualify for dollar-for-dollar reimbursement through tax credits for all qualifying wages paid under the FFCRA. Qualifying wages are those paid to an employee who takes leave under the Act for a qualifying reason, up to the appropriate per diem and aggregate payment caps. Applicable tax credits also extend to amounts paid or incurred to maintain health insurance coverage, and the employer's Medicare tax.

## FAQ

**1. How soon will you send us the webinar recording?**

Here is the [Webinar link](#).

**2. How soon will you send us the slides?**

Here is the [slides link](#).

**3. Can you please go over the ER FICA requirements?**

Use your existing employer FICA-SS liability and add new COVID earnings codes as 'subject only' to the liability basis. See Vista FFCRA setup instructions for details.

**4. How exactly do we limit it for the daily amounts?**

Liability limits cannot be defined or enforced on a daily basis without the use of a custom calculation routine. A liability amount override would be required during payroll processing.

**5. Do the liability limits need to be set up as negative numbers? Positive numbers? Or does it not matter? The KB displayed negative under the FMLA and positive under EE & Caretaker.**

The liability rate and limit amount should both be negative.

**6. The .66667 factor does not seem to work for salary, as the salary distribution does not know how to allocate. Any potential remedies for this?**

You will need to post hours for salaried employees when using COVID-19 earnings.

**7. Do the 80 hours need to be taken consecutively? Specifically for parents under EPSL who are sharing the child care responsibility.**

As we understand, EPSL can be taken in a single 80 hour/2 week block (if full time) or smaller multiple increments so long as it does not exceed the limit between April 1, 2020 and December 31, 2020.

**8. Is there documentation backup that we can legally require in order to qualify an employee as eligible?**

We suggest you check with your accounting/legal team.

**9. With setting up the SS ER to subject only, how will the 941 wages get corrected? I use Aatrix.**

Changes to the Federal 941 have not yet been announced - we will work with Aatrix to make sure the proper payroll info is available once it is announced.

**10. Are we required to show the sick leave balances on the employee pay stubs?**

Many employers display leave balances on employee pay stubs, but we have not seen a requirement for this.

**11. It looks like we need to use a separate seq number, so the negative taxes are not calculated on Section 125 deductions for the ER Side.**

If we understand the question correctly, there is no need for a separate pay sequence. In employers paid Section 125, liabilities that reduce your FICA-SS

liabilities should be included in the basis and will result in negative liability amounts. We believe this to be the correct approach and affords you full credit for those employer paid medical liabilities.

**12. Will we get examples of how these are to be set up?**

We believe the [slides](#) and [recorded webinar](#) provide a good example of set up. Additionally, we have [published content](#) in our support portal for assistance.

**13. Will you have a similar webinar to recommend the setup of tracking for amounts paid to employees under the Payroll Protection Program loan?**

We do not yet have one planned; will discuss. Thanks for the idea!

**14. When setting up earnings codes on the employee level, can you confirm the employee still has Federal Withholding, FICA and Medicare, State Taxes deducted, and on the employer side, Medicare and Unemployment taxes?**

Yes, that is our interpretation of the requirements. Information may vary state to state, so be sure to check with your tax advisor and/or CPA.

**15. If paying above 2/3, do you suggest creating a new earnings code with a factor of .333 to keep records separate?**

Yes, we advise posting earnings above 2/3, where 2/3 pay is the credit limit, to another earnings code. Isolating them in this way should make reporting and auditing easier.

**16. Which Vista report would I use to pay our federal withholdings/FICA? Currently, I use the Fed Tax Deposit Liability which breaks down the WH, SS and Med.**

You will likely need to combine info from both the PR Tax Deposit Liability and PR Tax Report to determine deposit amounts. Silvertrek offers a report for this purpose as part of its FFCRA premium service.

**17. Does the Federal Tax Deposit report reflect the reduction? (This is what we use to make our EFTPS deposit.)**

The standard PR Tax Deposit Liability report has not been modified to include eligible reductions. You will need to run this report, plus the PR Tax Report, to pick up the additional amounts and calculate your reduction.

**18. Does paid sick leave get printed on pay stub?**

Yes, all earnings are printed on an employee's pay stub.

**19. Are the normal deductions withheld when an employee is using the sick leave, (ie. 401k and medical)?**

Yes, 'normal' deductions typically apply, but can be overridden if desired. We advise following your company's standard practice regarding employee deductions on paid leave.

**20. How do I sign up for the Viewpoint Network?**

To join the Viewpoint Network, follow this link: <https://network.viewpoint.com/join/v-uc-19>. It contains the join code you need to become a member. If you have any issues, contact [kathleen.orazio@viewpoint.com](mailto:kathleen.orazio@viewpoint.com).

**21. Are both EFML & EPSL exempt from SS tax & liability?**

We recommend including both EPSL and EFML earnings as 'subject only' on the basis of your employer FICA-SS liability. See our FFCRA setup instructions for details.

**22. How do you apply the factors to the prior 6 month average?**

A six month average should be used to determine a variable employee's regular rate of pay and number of hours. Consult the Federal Register for details <https://www.federalregister.gov/d/2020-07237>.

**23. Are the Sick and Family Leave wages subject to 401K withholding?**

Yes, we believe so. Please confirm with your 401K administrator to confirm if there are any unique rules that apply to your company.

**24. Our company tracks PTO through Vista. We just keep up with it manually through an Excel setup. Given that, do we still need to set up the leave codes?**

Leave codes are not required, but help prevent posting beyond an employee's available balance and are available to print on pay stubs.

**25. How is the setup on the W-2 processing?**

W-2 changes, if any, are yet to be determined. We do not anticipate significant changes.



- 26. The instructions I printed instruct to remove FICA-SS employer tax from the earnings code. Is that still true or should it be listed and checked off subject earnings?**

After further review and testing, we advise adding EPSL and EFL earnings as 'subject only' to your employer FICA-SS liability basis codes. See our updated FFCRA setup instructions available on the [Customer Portal](#).

- 27. I have set up everything as directed. When we have a mix of regular pay and Covid pay there is a negative amount calculated on the liability side of SS. I am also getting a negative amount reported on my 401k Match liabilities. Is that correct?**

Your results are very possible. We suggest you log a Support Case to have someone on our team check it out.

- 28. For EPSL, I am reading that it is for everyone and there is no employment minimum. If it is caretaker or extended, it is 30 days of employment.**

That is correct. The 30 day employed requirement applies to EFMLA.

- 29. For variable hourly employees, should the leave limit be set to their 6 month average?**

In general, yes. Additional details can be found on the Federal Register - <https://www.federalregister.gov/d/2020-07237>.

- 30. Is the 30 days employment required as of 4/1, or could a new employee become eligible sometime after 4/1?**

Since the FFCRA is active from April 1 to December 31, 2020, we believe eligibility can occur after April 1.

- 31. If I have already processed COVID leave set up as a regular payroll code, when we set it up based on Viewpoint's suggestion, will it auto correct on the employee records? We do not use Aatrix.**

We don't understand what you mean by 'regular payroll code' or what correction is desired. We suggest you log a Support Case to have someone take a look.

- 32. We have integrated with ADP to pay our payroll taxes. Will this setup affect our integration?**

We will need to investigate with ADP.

- 33. We have an employee that will be taking every other week off. How do we record once and if we pass 12 weeks?**

If available balances are exceeded the leave codes will alert payroll entry.

- 34. What would be a good report to run?**

The PR Federal Tax Deposit Liability and PR Tax Reports should be helpful for working out your payroll tax deposit.

- 35. Our company has already had an employee out for COVID-19. I made our weekly 941 payment, which did not include the employer portion in FICA-SS. Was that the correct way to pay?**

That sounds right, but to confirm you should review with your tax advisor or accounting firm.

- 36. We pay our 941 payments weekly. This week when I submitted the payment, I did the employee portion of the FICA-SS and employer FICA-SS, which didn't match. Was that the correct way to make the payment?**

If you paid out EPSL or EFML wages and are using the recommended setup, then eligible wages for employer and employee FICA-SS will not match. To confirm whether full credit was taken on your tax payment, we suggest you review with your tax advisor or CPA.

- 37. I was told to use .666667 as the factor. Should I use .6667?**

The factor is 2/3. The more digits you use the more accurate the calculation, however all amounts are rounded to the nearest cent. You should not see a significant rounding difference.

- 38. If an employee has a pay rate, why do you need a 6-month average?**

You only need a 6-month average for variable time employees to determine standard hours, or those that work under differing pay rates due to job classes. If they have a standard schedule and/or pay rate, a 6-month average is not needed.

- 39. Can you explain the 6-month average requirement further? Is that because you don't count a week as 40 hours if the employee averages 30 hours a week?**

A part time employee is limited to 2 weeks of EPSL and 10 weeks of paid EFML based on their normal schedule. You only need a 6-month average if an employee does not work a standard number of hours per week.



40. We want to wait until the approval of an IPP loan to make a decision on claiming this credit. How can we track until then?

Confirm with your tax advisor, but we understand that any tax credits you take now under FFCRA would offset future loan forgiveness under PPP. Following our recommended EPSL and EFML setup will isolate and track that info for future reporting.

41. If we get approved for the loan, will we not be able to use the wages towards forgiveness as they were already paid by the government through the credit in 941?

This is our understanding from clarifications in the CARES Act. See <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

42. If an employer is not able to take advantage of the FICA employer tax credit, but would still like to track the liability separately in the event that the credit can be taken - how would you suggest that be set up?

We are unsure why you wouldn't be able to take advantage. The tax credit is offered immediately via reduced EFTPS deposits.

43. With the 400 fixed hours for the EFML leave code, can you clarify how the 400 is calculated?

It is calculated on 40 hours per week over 10 weeks.

44. If we are currently tracking FMLA time, does this leave time get applied against any current FMLA tracking? I thought it was included. We were planning on doing that.

Yes, EFML is an expansion to qualifying conditions with pay, but remains limited to the 12 week annual total. See <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>.

45. Will you cover how your solution will integrate with the Aatrix reports that the system generates for IRS 941 forms?

We are working with Aatrix and will make changes in Vista as needed. We will release more information as it is available.

46. I know the first slide noted less than 500 employees, but do less than 50 employees also fall under this ruling?

Yes, employers with less than 50 employees are subject to FFCRA, but some EFML requirements may be waived. Situations vary so please check with your accounting team or CPA.

**47. How do you set the maximum per day in Viewpoint for ECs?**

There is no standard feature to enforce daily limits, but could be handled via custom projects.

**48. Could the 'dummy' FICA account be set up on the New EC's instead of the regular FICA and get the same results as Option 2?**

Yes, the result would be the same, but we no longer recommended Option #2. See the updated FFCRA setup instructions on the Customer Portal for details.

**49. Define regular rate of pay. For example, a base of \$18.50 and certified job rates at \$24.97. Is the regular rate the base pay or average?**

An employee's regular rate of pay for EPSL and EFML is his standard straight time hourly wage without regard to incidental prevailing wage work. Vista will use the hourly rate assigned in the Employee Header as a default value.

**50. It was mentioned that the earnings codes are to be set to a rate per hour. Will that set up work for someone who is typically a salaried employee and not hourly?**

A salaried employee will need hours and an hourly rate posted to an EPSL or EFML earnings code for this paid leave.

**51. Will you be addressing setup for companies who are receiving SBA funds, which makes them ineligible for reimbursement for the tax portions, or should I open a case to address this particular situation?**

We do not anticipate changes to EPSL or EFML setup and processing due to the CARES/PPP acts. Credit taken for paid leave wages, employer FICA-SS, or health insurance would be excluded from loan forgiveness under these other programs. Please check with your accounting and legal team on how best to participate.

**52. Do we deduct employee portions of health benefits from the sick leave? And the portion of benefits we can deduct from our tax submission, is that the entire premium or just the employer portion?**

Yes, employees still pay their portion of health insurance. A credit is available for the employer's portion for the FFCRA hours paid.

**53. Does the premium for overtime go into the factor of "average wage"?**

No, straight time only.

**54. Do you know if there has been any additional information about EFTPS and taking the reimbursements there rather than waiting for the 941?**

The tax credit may be taken immediately via reduced EFTPS deposits. There is also a new 7200 form for application for advanced credit.

**55. Your picture examples show calculated, not subject amount.**

Either method of limiting these liabilities will work. Calculated may be more simple to understand because the maximum reimbursement is a single fixed amount.

**56. If SS is not supposed to be Subject To, but we need to set that in Vista, how do we account for that later?**

Your employer FICA-SS subject earnings will include EPSL and EFML earnings, but the eligible will not. Since we track both, we will be able to account for the difference and report on either.

**57. Regarding Section 7005, do we know the definition of this reimbursement? I would think it includes Medical, but what about Long Term Disability, Life & Accidental Dismemberment? Davis Bacon, I think, includes all of these.**

Please check with your accounting/legal team.

**58. Can you give us the link to where it is that says all Pre-Tax liabilities are reimbursable?**

Div G - Sec 7001 (d) of:

<https://www.congress.gov/bill/116th-congress/house-bill/6201/text>

**59. Are there any known issues with the warning setting in the earning codes, such as false warnings?**

We believe you are referring to Leave Balance warnings, not earnings codes. Given that EPSL and EFML are both fixed accruals and have no reset or carryover amounts, the process should be very clean. We recommend following standard procedure to run and post PR Auto Leave following payroll process and prior to check print. This should guarantee properly updated Leave balances and accurate Leave Balance warnings.

- 60. If you initialize the leave code for all employees, does it put the leave code, balance and usage on all paycheck stubs?**

You must add the PR Leave Code to the Leave Codes tab of the PR Group Master, if you want the leave balance to print on pay stubs.

- 61. Do you have a Viewpoint Help module posted with the print screen set-up in the Viewpoint Knowledgebase?**

Please see the article on our Customer Portal:

[https://support.viewpoint.com/s/knowledgedetail?c\\_urlname=H-R-6201-The-Families-First-Coronavirus-Response-Act](https://support.viewpoint.com/s/knowledgedetail?c_urlname=H-R-6201-The-Families-First-Coronavirus-Response-Act)

- 62. What if the employee was out only half of the pay period? How do you handle the earning and liability codes when processing payroll?**

Pay with FFCRA earnings codes for only the leave taken, and the other time with regular earning codes. Liabilities will calculate credit for FFCRA wages only.

- 63. When we set up all the Earnings codes and Liabilities codes, an employee now has a negative Med-SS liability after processing payroll? A negative number doesn't make sense to me.**

The negative eligible and liability amount is a reduction to your employer FICA-SS and is available as a credit when determining your tax deposit (EFTPS).

- 64. On PR Deductions/Liabilities, Basis Codes for EPSL Liability codes, should the Subject Only box be checked for applicable ECs?**

Yes, this is the 'flip side' of checking 'Subject Only' on the Deductions/Liability tab of the Earnings Code. Either entry method will give the desired result.

- 65. I thought all employees receive 80 hours whether they are full time/part time/temp time. Your presentation says an employee working 20 hours a week only gets half the benefit.**

Maximum EPSL earnings are an employee's typical hours worked multiplied by 10 days (up to the daily limits of \$511/\$200). So if an employee normally works 30 hrs per week, the maximum for EPSL would be 60 hours.

- 66. Can you set up the accrual codes so the balance of EPSL hours does not appear on employees paychecks?**

Yes. Don't add the PR Leave Codes to the PR Group Master and they won't print on paystubs.

**67. Can we use the PPP loan to pay for EPSL? Or do we need to separate that payroll?**

Please check with your accounting/legal team. Our understanding is that reimbursed costs under FFCRA (which includes FFCRA wages) cannot be used as the basis for a PPP loan.

**68. How soon will you have PPP setup information? We were told that we qualify so we will need to set it up.**

The Paycheck Protection Program (PPP) authorizes low interest, forgivable loans to small businesses to pay their employees during the COVID-19 crisis. This will be handled via local lenders and the Small Business Administration. Companies will be required to carefully track and report payroll costs along with other covered expenses. We do not expect PPP will require changes to payroll setup or processing. Please refer to <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf> for additional info.

**69. Are you going to cover how to handle the payroll tax deferral?**

A tax credit may be taken immediately via reduced EFTPS deposits. There is also a new Form 7200 for advanced credit. The IRS has issued guidance on this: <https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs>

**70. For employees working on jobs, how would you recommend tracking this time? Set up a phase code on each job or one job?**

FFCRA wages are for people that are not working. There is no benefit to code that time to jobs, unless you are using it to track admin costs.

**71. Can the FFCRA be applied to anyone who is currently left to work at home? Meaning those who are self quarantined or left to care for family or children who are not in daycare?**

No, employees are only eligible for FFCRA wages if they are unable to work or telework. In other words, working from home would be regular pay.

**72. It's my understanding that you can do this and the PPP loan, but you can not do the 50% retention credit?**

Qualifying employers are required to provide EPSL and EFML benefits to their employees, and may also participate in PPP, but cannot claim the same credit under both programs. The CARES Act employee retention credit is not available to companies opting for a loan under PPP. The retention credit is limited to \$5,000 per employee and will be claimed on the 941. Check with your tax and accounting professional to determine the best option for your company. An IRS FAQ is available at:

<https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-car-es-act>

- 73. How do you suggest processing for salary exempt individuals using these benefits? Do you know if the 2/3 rate is applicable to these individuals as well?**

We recommend maintaining a standard hourly rate in the Employee header for your salaried employees. EPSL and EFML earnings must be posted as an hourly rate to track leave usage and enforce available balance limits.

- 74. Do employees have to use all available vacation and PTO before using the EPSL and EFML?**

Employers may not require an employee to use other paid leave before using EPSL. The first two weeks of FMLA, prior to the ten paid weeks, can be unpaid or an employee may use EPSL or other accrued paid leave. For more details see: <https://www.federalregister.gov/d/2020-07237>

- 75. I have entered everything as shown on the instructions sheets. It seems to be working correctly, except flowing to the GL. That shows a zero amount.**

Employees must have payments (EFT or check) recorded before the PR Ledger Update will generate GL distributions. Log a Support case if the process is not working as expected.

- 76. We have a chart from our attorney stating that all employees are eligible for the EPSL. They don't have to be employed for 30 days.**

That is correct, all employees are eligible for EPSL, but in general, they must be employed for 30 days prior to being eligible for EFMLA.

- 77. Health insurance credit is only on the hours paid? Not the monthly expense?**



Yes, employer's health insurance cost is only for the FFCRA hours.

- 78. The employee has been paid and I closed my pay period. The GL still shows zero.**

We advise logging a Support case to review your setup.

- 79. What about pre tax deductions if an employee only takes a few hours a week? Would we be eligible to take the pre tax discount?**

Our understanding is that the time can be partially consumed up to the limit.

- 80. This states SS Liability is not Subject, but all I have read say Medicare Liability is what is not subject. Is this a typo?**

Medicare still needs to be calculated. The SS part of FICA is a bit up in the air -- the act says CV pay is not subject to liability. See Section 7005 of FFCRA.

- 81. We are a weekly depositor. Have you seen any guidance on how to deal with that?**

Your EFTPS deposits can be reduced by the amount of your FFCRA credits regardless of deposit frequency.

- 82. My understanding was that the ER was only subject to Medicare, but for the EE you took out SS and Medicare.**

Employees still pay FICA-SS and FICA-MED. Employers do not owe FICA-SS and can be reimbursed for FICA-MED.

- 83. Do you need a new Earn Type along with new earnings code or can the new Covid EC be linked to regular Earn Type?**

We recommend adding a earning type for ESPL and EFML paid leave so that it can be easily isolated and directed to a separate GL Account through your PR Departments.

- 84. Are we able to deduct the employee portion of the medical insurance? That is unclear for me.**

The employee deduction for medical insurance reduces your employer FICA-SS eligible wages and liability, but is not reimbursable as a credit. Only the paid leave wages, employer medical insurance liability and Medicare liability are included in the tax credit

- 85. Please explain the dummy zero liability.**

After further review, we no longer advise using Option #2 with a 'dummy' FICA-SS liability. Instead, follow the recommended setup instructions for Option #1. If you need a little help to clear the confusion, log a Support case and they will walk you through it.

**86. Viewpoint suggested running COVID pay separately from other wages. Would you recommend a separate pay sequence named COVID pay?**

Some have felt using a separate pay sequence better isolates these payments for future reporting and auditing, however there is no requirement to do so.

**87. How does this work union employees that are laid off due to job sites closed?**

Employees that were laid off before 4/1/20 are not currently employed, so not eligible for FFCRA wages.

**88. The EPSL and EFML earnings codes should be added to the basis of your employer FICA-SS and flagged as 'subject only' to properly calculate its eligible and liability amount. These earnings should also be added as the basis to their corresponding COVID liability to calculate offsetting values that post to an income/asset account.**

You will need to use the hourly based EPSL and EFML earnings codes when a salaried employee is paid under these programs

**89. How is Viewpoint calculating "regular rate of pay"?**

We default the highest rate from either the Employee master, Craft/Class or Craft/Class Template. If an employee does not have a 'regular rate of pay', guidance is to use a 6 month lookback.

**90. If we have pre-tax deductions for health insurance, are we able to take the tax credit for the employee's gross COVID wages, or do we need to reduce our wage credit by the pre-tax deduction? (The IRS says we can take the full cost of health without deducting the employee's pre-tax contribution, but it is not clear how to handle the wage credit and if it should exclude the pre-tax health contributions.)**

FFCRA wages are reimbursable (up to the daily limits) without deducting for qualified health insurance plans. The negative liability you'll set up is based on the FFCRA earning code(s) is what calculates that credit.

**91. When do we start implementing this?**

The law is in effect April 1, 2020 and expires December 31, 2020.

- 92. If you set up the COVID-19 earn codes Subject Only to Employer SS, how does that impact the 941 Reporting? Will it show that those wages are subject to that tax? And will we then have to adjust it manually when filing our 941?**

An updated version of the Fed 941 has yet to be released. It is unknown what changes will be required, but Vista tracks both subject and eligible employer FICA-SS earnings and will work with Aatrix to provide the needed data.

- 93. How do you handle distributing the paid sick leave for salaried employees (PR Salary Distribution) who take a day or two but work the remainder of the week?**

If salary and paid leave are posted in the same pay sequence, you can temporarily reduce the employee's salary by the amount of paid leave just prior to running the PR Salary Distribution. This will distribute the adjusted amount over hours worked, then post leave hours and earnings to the EPSL or EFML hourly earnings. Any daily amount exceeding the EPSL or EFML caps will need to be adjusted. Be sure to reset the employee's standard salary in PR Employee. We welcome any suggestions you may have for an easier process.

- 94. When are employees eligible for EPSL?**

Employees are immediately eligible for EPSL. The 30-day employment requirement only applies for EFML.

- 95. Will worker's comp accrual be impacted, with the factor not being 1.00 as it shows as overtime earnings?**

The overtime totals in PR Timecard Entry will be corrected to only include earnings with a factor greater than 1.00. We are still looking at the impact on worker's comp.

- 96. Why not just leave the new Earning Codes out of the Basis Codes for the FICA-SS Employer liability code?**

Marking the FFCRA wages as 'Subject Only' allows the system to track that there were wages, but that the ER FICA-SS was not due on those wages.

- 97. If an employer chooses not to use this method through payroll, will there be a way to take tax credits or reimbursements at the end of year?**

Employers are required to pay FFCRA wages to eligible employees, but if you choose not to take the immediate credit on your EFTPS deposits, you would

likely end up with a credit due to overpaid (deposits) on your 2nd, 3rd, or 4th quarter 941's.

- 98. We set up the liability code to point to a liability account in our GL, producing a negative liability. Will that work as well?**

Check with your accounting/legal team, but you may configure any GL Accounts you prefer.

- 99. Do you have guidance or recommendations for tracking the health plan expenses?**

Convert a FFCRA-covered employee's health insurance cost (just the employer portion) to an hourly rate and calculate that as part of your credit for FFCRA paid hours only.

- 100. Does an employee have to use this sick leave in one or two week chunks or can it be used one day at a time until it is used up?**

Neither EPSL and EFML are required to be taken in a continuous block of time, so long as the leave occurs between April 1 - Dec. 31, 2020.

- 101. Should the earning code have the FICA SS Liability added and checked as subject only, as well as the COVID 19 liability code?**

No, the liability should have the matching Earning Code as the ONLY basis code. It calculates -100% of the FFCRA wage on which it is based. In other words, you will be reimbursed for those wages, this is recording the reimbursable amount.

- 102. When setting up the liabilities codes, and using the negative rate/amount of -1.00, is the Subject Amount field also supposed to be a negative number? ie: COVID Caretaker Credit amount of 1,000 per period, or -1,000 per period?**

The liability rate and limit amount should both be negative. Good catch, we spotted that just after the webinar and will correct our screenshots and setup instructions. (duplicate question)

- 103. Can you set up the limits in the earnings code? For example, the \$200/day on the EPSL Caretaker.**

There is no standard feature to enforce a daily limit - this would require a custom project

**104. Would you record the first 80 hours under EPSL Caretaker and then switch over to EFML?**

Yes, the first 80 hours if the employee is full time, then switch to EFMLA.

**105. If 2/3 pay does not meet minimum wage, who pays the extra? Under this code or separate?**

As long as the regular pay rate is at least minimum wage, it is okay to pay less than minimum wage under EPSL or EFMLA. In other words, the minimum wage only applies to the full rate of pay.

**106. If an employee is 3 days leave and 2 day working and is over the daily limit for the full amount of pay, is it still accruing because they are still under the weekly limit?**

Since Vista has no standard "daily" limit, you will need to manage exceptions like this manually.

**107. Do we have to do a separate pay sequence? Why couldn't the new COVID FICA SSN liability have the pretax and SSN show zero because it is only tied to the covid earnings?**

A separate pay sequence is not required. Any pre-tax deductions on a FFCRA wage only check will produce a negative basis for ER FICA-SS. This represents the credit you are due because you do not owe that tax on these wages.

**108. Do we delete the ER-FICA from the 3 new earn codes so it doesn't calculate ER-FICA? If so, how do we track this?**

No, set the three COVID earnings codes as 'subject only' in your employer FICA-SS liability basis.

**109. Can you take these EPSL & EFML credits if you have received a 7a PPP loan?**

It is our understanding that FFCRA wages that are reimbursed cannot be used as the expense basis for a PPP loan.

**110. How do you run these hours concurrently with FMLA leave code?**

EFML is an expansion of Federal FMLA that includes paid benefits when caring for a minor child due to COVID-19. Employees are still limited to 12 weeks annually under both the standard and expanded Federal program. States and other jurisdictions having their own FMLA programs may impact how you administer this benefit - please check with your tax and benefit expert.

**111. Should we calculate the employer paid benefits and medicare portion of the credit manually or can that somehow be done through payroll?**

It's a good idea to document how you calculate your Federal tax deposit and all tax credits for future reference (e.g. spreadsheet). Payroll processing will provide employee amounts for EPSL and EFML wages, along with the deduction and liability amounts that factor into your deposit and credit. Additional calculations will be needed to apportion health insurance liabilities for the credit should an employee receive both regular and COVID paid leave in the same pay period.

**112. When we posted payroll, the negative liabilities calculated the credit for gross earnings but not benefits or medicare. Is that what is expected?**

Yes that would be the expected result. The negative EPSL and EFML liabilities do not impact an employee's medical insurance or Medicare deductions and liabilities.

**113. If the program starts 4/1/20, should Monday and Tuesday of last week be eliminated from FFCRA pay?**

FFCRA covers leave taken 4/1/20 and later, but employers are always free to pay these types of earnings before that date. They may not be available for reimbursement if paid before that date.

**114. Instead of using the negative liability set up, can we create a separate Payroll Department to track the relevant refundable items into the asset or contra expense accounts?**

We have not explored that option, but it is an interesting idea.

**115. Should the earnings and SS liability be going into the SAME Asset GL account?**

Earnings to usual account; liability (not SS) code associated with CV-19 to asset and P/L (misc income, for example).

**116. Can an employee be paid at 100% for two weeks for their own health and then another two weeks at 2/3 for caretaker?**

No. The limits for EPSL are across all categories (directly affected or caretaker) based on whichever comes first.

**117. Where do you set up EPSL? Is this a mandatory setup?**



Employers are required to provide EPSL and EFML to eligible employees. [Setup instructions are available on our Customer Portal.](#)

**118. What about health insurance? Can't you take a tax credit for health insurance expenses?**

Yes, a credit can be taken for the employer's portion of qualified health insurance plans for FFCRA covered employees.

**119. If an individual is collecting 2/3rd pay for the expanded medical leave and the employee is not making \$600 a week based on their 2/3rd pay, can they additionally file for the FUTA of \$600 weekly for the difference?**

Please check with your accounting/legal team, but an employee who is being paid EPSL or EFMLA is still employed.

**120. If an employee has been here LESS than 6 months and they have variable hours, (example we have an employee that has only been here for 6 weeks) where do we get the average hours from?**

Refer to <https://www.federalregister.gov/d/2020-07237> for guidance on how to determine average number of hours.

**121. Are the typical deductions and liabilities still being calculated and withheld and accrued as they would on regular earnings?**

With the exception of employer FICA-SS liability, we expect most deductions and liabilities will apply and process as they would for any other paid leave.

**122. Are COVID wages subject to all union benefits?**

Contact your union representatives. Some unions have waived certain benefit requirements for FFCRA wages.

**123. If you received a Paycheck Protection Loan can you still get this credit?**

Yes, but the FFCRA wage expense cannot then be used as the basis for the PPP loan.

**124. When posting paid sick leave after setting up an employee, it will NOT create a GL posting, correct?**

PR Leave Entries (accruals) do not affect GL. Paid EPSL or EFMLA will flow to GL.

**125. How does the system handle pre-tax items on the employer Social Security Side? I did a test run, the employee Social security portion is**

**correct, but the employer portion is off. It is showing a negative amount, basically taking the pre-tax items and multiplying by the SS rate.**

In the case of pre-tax items, the basis for Employer FICA-SS will be negative, giving the employer credit/reimbursement for FICA-SS.

**126. What if an employee is taking leave because they are trying to avoid the virus (they are unable to work from home) but they don't have any symptoms themselves or have someone they care for affected by the virus?**

According to our understanding, this would not be a qualifying event. However, there are a lot of extenuating circumstances -- for example, if the employee can or cannot work remote. Please consult your legal/tax advisor.

**127. We have union employees with set pay rates. They do jump around at times and get paid with a higher pay rate. Would we pay them based on their based pay rates or do the 6 months average calculation?**

If an employee works under multiple classifications on a regular basis, it makes sense to average (except maybe prevailing wages, that are higher).

**128. We've heard that an employee can only take this leave one time with one employer. How do we regulate a new employee that we hire later in the year? How would we know if this employee has taken the leave or not?**

If an employee takes paid sick leave at one employer and then goes to work for a new employer, she/he cannot take leave again. This may require having the employee attest that they are eligible, but we have not seen clear guidance on how employers can confirm this.

**129. The setup in Knowledge Base and in this Webinar instructs you to set up the COVID Ded/Liab and add ONLY the respective earning codes. However, when you process payroll, you cannot proceed until you add ALL COVID EC's. Is there a solution or workaround for this?**

The liabilities are set up to calculate credit/reimbursement for the FFCRA wages. As such, it should be -1.00 (which represents 100%) of only the earning for which reimbursement is calculated. In other words, each Liability has a basis code of its matching Earning Code.

**130. Our employees accrue PTO per hours worked. Are we required to accrue PTO on paid sick time?**

We are not aware of any requirement to accrue PTO on EPSL or EFML paid hours. We recommend checking with your benefit plan administrator.

**131. How do we make the entry for the federal credit to be taken on EFTPS payments?**

Prorate the amount of your credit across all three types of taxes deposited (FIT, SS, MED).

**132. What is the recommendation for the number of GL accounts needed? Will one account be sufficient for reimbursement tracking for EPSL & EFMLA & PPP?**

Check with your accounting/legal team, but we demonstrated that you could set up one Asset account (like 'FFCRA Reimbursable') and one Misc. Income or Contra-Expense account (like 'FFCRA Reimbursed').

**133. Will these codes work for both hourly and salary employees?**

The EPSL and EFML earnings codes need to be hourly based for proper leave tracking. You will need to use them for both hourly and salaried employees.

**134. Will the wages that are paid and reimbursed be deductible as a payroll expense? Will they be included in W2 wages?**

FFCRA wages are subject to Federal withholding and as such would be reported on a W-2. It is unclear as to what reimbursed deductible you are referring to.

**135. Are you saying these (COVID) wages do not hit the GL?**

Wages DO hit the GL. Leave Code hours (accrual) do not.

**136. Do we not want to reduce GL payroll expense by the reduction in liability, but use a different income or offset account?**

Yes, we recommend keeping the tax credits in a separate account for reporting and audit purposes.

**137. We should only have one leave code?**

The leave max (reimbursement limits) are different, so you should have one leave code for each (EPSL and EFMLA).

**138. To confirm, VP is suggesting that you setup Negative Liabilities or Negative Deductions for those items that will be reimbursed from taking a credit on your 941's liabilities: Wages, Employer Medicare or, Health Care, which will be pointed to an asset account you set up to establish your Coronavirus Reimbursement/Receivable? In addition you are recommending setting up specific liability code for COVID19 ER Liability for FICA SS (set at zero, since it is not owed) and COVID19 ER Liability for FICA-Med in order to**

**keep those items separate for the benefit of preparing 941 or Atrix using later?**

Negative liabilities (but not negative deductions) will help calculate and track the credits due. We are not advising a separate COVID employer liability for FICA-SS or Medicare, the existing DLs will provide the correct amounts assuming COVID earnings are flagged as 'subject only' on the employer FICA-SS liability.

**139. Do you still deduct from the employee's portion of medical their contribution?**

We have assumed the employee's medical deduction would continue as it would with other types of leave pay.

**140. Would the full amount of the liability that could potentially be paid out be coded as a liability?**

The EPSL and EFML liabilities are set up to calculate as a rate of gross on their respective earnings up to an annual limit. The amount calculated will depend on the amount of earnings and result in a negative value because of the -1.00 rate. These liabilities do not represent expenses as would a 'normal' liability, but instead will be reimbursed to reduce your payroll expense and should be considered an income/asset.

**141. Does the 941 Information report use Subject Wages or Eligible Wages to calculate the required Employer SS liability? If it uses Subject, would this be a problem for 941 reporting?**

We do not yet know what changes will be necessary for an updated 941 - since we track both subject and eligible, we should be able to accommodate.

**142. Is it a good idea to open a new bank account to track all payroll expenses if approved for a PPP loan?**

Yes, if it helps you isolate and report these expenses more easily.

**143. How do you accurately and efficiently get the employer social security wages base for the 941?**

This has been the most confusing area of the FFCRA to-date and spurred numerous conversations and potential solutions. However, given our current understanding we believe allowing the eligible earnings and calculated FICA-SS liability to go negative is the correct approach. We have included an example spreadsheet to illustrate with our other reference material - take a look, we are happy to discuss further if needed.

**144. I set up these codes as directed for the payroll just closed and the only negative liability that was calculated was for wages (not tax or benefits). Can I file a case for help troubleshooting? Are support reps versed in this process?**

The Viewpoint Support organization is ready to answer your FFCRA questions. Feel free to submit a case.

**145. It is my understanding that if you obtain a PPP loan then you are not eligible for a credit. Would you still set up the liabilities with a negative 1?**

Tax credits are available under either FFCRA (EPSL and EFML) or PPP loan as long as the qualified expenses are not double counted. Reduced EFTPS tax payments when paying out EPSL or EFML benefits may be the quickest way to recoup these costs. Setting the liability rates to -1.000 will provide a convenient way to isolate and track these credits regardless of how/when they are reimbursed.

**146. We have put many employees on unemployment standby as the daily rate is far more than \$200. We only anticipate a low number (hopefully zero) of future EPSL occurrences at the \$511 rate. What is the best way to initialize their accrued leave on a one-off basis?**

Yes, that may save unnecessary work.

**147. Should an employee's regular pay be averaged if they are paid different rates associated with varying pay classes?**

Yes, we believe that is the best guidance.

**148. We use ADP and they will typically reject our file submission when there are negative values. Have you worked with ADP on this?**

We have not yet discussed this with ADP, but will do so.

**149. When you say published rate, are you referring to the prevailing wage rate?**

The reference to published rate was referring to prevailing wage, however, an employee's standard pay rate should be used to determine EPSL and EFML pay rates, not a specific job or prevailing wage rate

**150. What effect does overtime pay have on the average hourly rate?**

FFCRA pay rate guidance refers to straight time wages only.

**151. For the caretaker benefits, if we opt to continue to pay full salary and just track the reimbursable portion, how would you recommend we do that?**

Use the COVID-19 Caretaker earnings for 2/3 pay rate and post the remainder to another earnings code. Allowable credits are limited by the 2/3 wage rate and keeping them separate will make reporting and auditing easier

**152. If we have already paid some of these wages out, would it be best to reverse out and re-enter using the new earnings codes?**

Yes, this is best for audit purposes.