



## Overview of Paid Family Leave Refundable Credit

(Updated January 28, 2021)

In addition to the paid sick leave credit, under the Expanded FMLA, an employee who is unable to work or telework because of a need to care for a child whose school or place of care is closed or whose child care provider is unavailable due to reasons related to COVID-19, as described in (5) above, may receive paid family and medical leave equal to two-thirds of the employee's regular pay, up to \$200 per day and \$10,000 in the aggregate. Up to ten weeks of qualifying leave can be counted towards the family leave credit. For more information, see "[What is included in "qualified family leave wages"?](#)"

The Eligible Employer is entitled to a fully refundable tax credit equal to the paid family and medical leave (qualified family leave wages). This tax credit also includes the Eligible Employer's share of Medicare tax imposed on those wages and its cost of maintaining health insurance coverage for the employee during the family leave period (qualified health plan expenses). The Eligible Employer is not subject to the employer's share of social security tax imposed on those wages. For more information, see "[How does an Eligible Employer determine the amounts of the qualified family leave wages it is required to pay?](#)"

Source: IRS: <https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-paid-leave-provided-by-small-and-midsize-businesses-faqs#overview-paid-sick-leave-refundable-credit>