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Dear Client,

As a business client, we want to bring your attention to new laws affecting paid sick leave for employees. First, the passage of the Family's First Coronavirus Response Act – Employee Paid Leave Rights, entitling employees to paid sick leave for qualifying reasons related to COVID-19. This includes a refund the employer may claim for sick leave paid in the year 2020. This refund is obtained through the quarterly federal payroll tax return (Form 941). The upcoming 4th quarter 941 will be the last opportunity to claim this refund if it has not been claimed already. This refund will directly reduce your payroll taxes.

Qualifying reasons for sick leave paid related to COVID-19 include:

- an order related to quarantine or isolation,
- experiencing COVID-19 symptoms and are awaiting a medical diagnosis,
- caring for an individual in either of the prior situations, or
- caring for a child whose school or daycare was closed.

The second employee sick/safe leave law to be aware of is from New York State and begins January 1, 2021. The sick/safe leave law requirements depend on the size of the employer:

Number of Employees	Employer Sick/Safe Leave Requirements
0-4	If net income is \$1 million or less, required to provide up to 40 hours of UNPAID sick leave per year
0-4	If net income is greater than \$1 million, required to provide up to 40 hours of PAID sick leave per year
5-99	Up to 40 hours of PAID sick leave per year
100+	Up to 56 hours of PAID sick leave per year

Starting September 30, 2020 employees began accruing leave at a rate of at least 1 hour for every 30 hours worked. On January 1, 2021 employees may start using accrued sick/safe leave. Employers may choose to provide the full amount of sick/safe leave beginning each year instead of accruing leave. If you already provide sick/safe leave or other time off that meets or

exceeds the requirements, you have no further obligations. Payroll records must be maintained for six years and must include amounts of sick/safe leave accrued and used by each employee on a weekly basis. Unused sick leave must be carried over to the next calendar year, however, the employer can limit the amount used each year (i.e., 40 hours for under 100 employees).

All private sector employees in New York State are covered by this new law regardless of industry, occupation, part-time status, and overtime exempt status. The number of employees includes year-round employees, part-time workers, and part-time seasonal workers, all of whom are entitled to sick/safe leave.

For more information on NYS's sick/safe leave law visit: ny.gov/programs/new-york-paid-sick-leave.

Please contact us as soon as possible on any payroll refund you believe you are eligible for as well as for any other questions or concerns you may have.

Warm regards,

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