

# HENDERSON BROTHERS UPDATE

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## New IRS Guidance on Tax Credits for COVID-19 Qualified Sick and Family Leave Benefits August 2021

On July 29th the IRS released more [FAQ guidance](#) for employers that continue to offer COVID-19 qualified sick and family leave benefits. The new FAQs address the tax credits available under the American Rescue Plan Act of 2021 (the “ARP” or “ARPA”) for employers with fewer than 500 employees and certain governmental employers without regard to the number of employees (“Eligible Employers”) for qualified sick and family leave wages (“qualified leave wages”) paid. The credits are available with respect to leave taken by employees beginning on April 1, 2021, through September 30, 2021, as well as the equivalent credits available for certain self-employed individuals.

In addition to numerous FAQs released in June regarding when employers can claim the tax credits, when they will receive them, and the documentation required, etc., the IRS has released an updated overview on the Paid Sick Leave Refundable credit and has updated its FAQ guidance with the following on July 29th:

- [Updated Overview](#) of Paid Sick Leave Refundable Credit
- FAQ #8 What are “qualified sick leave wages”? ([updated July 29, 2021](#))
- FAQ #9. What are “qualified family leave wages”? ([updated July 29, 2021](#))
- FAQ #25. What is included in “qualified sick leave wages”? ([updated July 29, 2021](#))
- FAQ #36. What is included in “qualified family leave wages”? ([updated July 29, 2021](#))
- FAQ #38a. Do “qualified family leave wages” include wages paid for leave taken to accompany an individual who is obtaining a vaccination or to care for an individual who is recovering from vaccination? ([added July 29, 2021](#))
- FAQ #108. How is the “qualified sick leave equivalent amount” for an eligible self-employed individual calculated? ([updated July 29, 2021](#))

For information about the tax credits that may be claimed for qualified leave wages paid with respect to leave taken by employees prior to April 1, 2021, under the Families First Coronavirus Response Act (“FFCRA”) and the COVID-related Tax Relief Act (the “Relief Act”), see [Tax Credits for Paid Leave Under the Families First Coronavirus Response Act for Leave Prior to April 1, 2021 FAQs](#).

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