

Guidance on Reporting Qualified Sick Leave Wages and Qualified Family Leave Wages Paid For Leave Provided in 2021

Notice 2021-53

I. PURPOSE

This notice provides guidance to employers on the requirement to report the following qualified sick leave wages and qualified family leave wages (qualified leave wages)¹ paid to employees for leave provided in 2021:²

- Qualified leave wages under the Families First Coronavirus Response Act (Families First Act), Pub. L. No. 116-127, 134 Stat. 178 (March 18, 2020), as amended by the COVID-related Tax Relief Act of 2020 (Tax Relief Act), enacted as Subtitle B of Title II of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (December 27, 2020), paid for leave provided to employees beginning January 1, 2021, through March 31, 2021.³
- Qualified leave wages under sections 3131, 3132, and 3133 of the Internal

¹ For the definition of “qualified sick leave wages,” see sections 7001(c) of the Families First Act and 3131(c) of the Code. For the definition of “qualified family leave wages,” see sections 7003(c) of the Families First Act and 3132(c) of the Code.

² Separate reporting requirements apply for calendar year 2020. Notice 2020-54, 2020-31 I.R.B. 226, provides guidance to employers on the requirement to report the amount of qualified sick leave wages and qualified family leave wages for leave provided to employees beginning April 1, 2020, through December 31, 2020.

³ The amendments made by section 288 of the Tax Relief Act apply as if included in the provisions of the Families First Act to which they relate. Therefore, references to the Families First Act throughout this notice should be read as the Families First Act, as amended by the Tax Relief Act.

Revenue Code (Code), added by section 9641 of the American Rescue Plan Act of 2021 (ARP), Pub. L. No. 117-2, 135 Stat. 4 (March 11, 2021), paid for leave provided to employees beginning April 1, 2021, through September 30, 2021.

Employers are required to report qualified leave wages either on a 2021 Form W-2, Box 14, or on a separate statement. This reporting provides employees who are also self-employed with information necessary for properly claiming qualified sick leave equivalent or qualified family leave equivalent credits for the 2021 taxable year under the Families First Act or the ARP.

II. BACKGROUND

In general

The Families First Act and sections 3131 and 3132 of the Code provide refundable tax credits to employers with fewer than 500 employees (eligible employers) to reimburse them for the cost of providing qualified leave wages. Sections 3131 and 3132 also permit certain governmental employers to claim these tax credits, without regard to the number of their employees.⁴ Accordingly, when this Notice addresses the credits provided under these Code sections, the term “eligible employer” also includes these governmental employers.

Division E of the Families First Act, the Emergency Paid Sick Leave Act (EPSLA), and Division C of the Families First Act, the Emergency Family and Medical Leave Expansion Act (EFMLEA), generally required eligible employers to provide paid

⁴ For purposes of the Families First Act, these credits do not apply to the government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing. See sections 7001(e)(4) and 7003(e)(4) of the Families First Act. For purposes of the ARP, these credits do not apply to the government of the United States or any agency or instrumentality thereof that is not an organization described in section 501(c)(1) of the Code. See sections 3131(f)(5) and 3132(f)(5).

sick leave and expanded family and medical leave, respectively, beginning April 1, 2020, through December 31, 2020, up to specified limits, to employees unable to work or telework due to certain circumstances related to COVID-19. The EPSLA entitled workers to up to 80 hours of paid sick time and the EFMLEA entitled workers to up to 10 weeks of paid family and medical leave if they were unable to work for certain reasons related to COVID-19. The Families First Act also provided eligible employers with fully refundable tax credits to cover the cost of the leave required to be paid under the EPSLA and EFMLEA. The requirement that eligible employers provide leave under the EPSLA and EFMLEA does not apply after December 31, 2020. However, the Tax Relief Act extended the availability of the tax credits under the Families First Act through March 31, 2021, for paid leave that would have satisfied the EPSLA or EFMLEA requirements.

Specifically, sections 7001 and 7003 of the Families First Act provide refundable tax credits against the tax imposed by section 3111(a) of the Code (referring to the eligible employer's share of the social security portion of the Federal Insurance Contributions Act (FICA) tax), and so much of the Railroad Retirement Tax Act (RRTA) Tier 1 tax as is attributable to the rate in effect under section 3111(a), on all wages or compensation paid to all employees for each calendar quarter in an amount equal to the qualified leave wages paid by the eligible employer, plus allocable qualified health plan expenses, with respect to leave provided to employees beginning April 1, 2020, through March 31, 2021. The credits under sections 7001 and 7003 of the Families First Act are increased by the amount of the tax imposed by section 3111(b) of the Code (referring to the employer's share of Medicare tax) and so much of the RRTA Tier 1 tax imposed as

is attributable to the rate in effect under section 3111(b) on qualified leave wages. See section 7005(b)(1) of the Families First Act.

Section 9641 of the ARP added sections 3131 through 3133 to the Code, which extend the availability of the credits for paid leave through September 30, 2021. Section 3131 provides the credit for paid sick leave, section 3132 provides the credit for paid family leave, and section 3133 provides that the credits allowed under sections 3131 and 3132 are increased by the eligible employer's share of both the social security and Medicare portions of FICA tax (and the eligible employer's share of the RRTA Tier 1 tax) imposed on the qualified leave wages. Sections 3131 and 3132 of the Code provide that eligible employers are entitled to claim refundable tax credits with respect to leave provided voluntarily to employees beginning April 1, 2021, through September 30, 2021, if the leave would have satisfied the EPSLA or EFMLEA requirements.⁵ Specifically, sections 3131 and 3132 of the Code provide refundable tax credits against the tax imposed by section 3111(b) (referring to an eligible employer's share of Medicare tax), and so much of the RRTA Tier 1 tax as is attributable to the rate in effect under section 3111(b), on all wages or compensation paid to all employees for each calendar quarter in an amount equal to the qualified leave wages paid by the eligible employer plus (i) the allocable qualified health plan expenses and (ii) certain collectively bargained contributions allocable to qualified leave wages. See sections 3131(d), 3131(e), 3132(d), and 3132(e).

Sections 7001(c) and 7003(c) of the Families First Act and sections 3131(f)(2)

⁵ When this Notice addresses the credits provided under the ARP, references to EPSLA should be read as EPFLA, with certain modifications pursuant to the ARP. Similarly, references to EFMLEA should be read as EFMFLA, with certain modifications pursuant to the ARP.

and 3132(f)(2) of the Code define the terms wages and compensation to mean “wages” as defined in section 3121(a), but without regard to section 3121(b)(1) through (22), and “compensation” as defined in section 3231(e), but without regard to the exclusions under section 3231(e)(1).⁶

A self-employed individual carrying on a trade or business in 2021 within the meaning of section 1402 who would have received qualified leave wages if the individual were treated as an employee of an employer (other than himself or herself) may claim refundable tax credits if the individual is unable to work or telework (eligible self-employed individual). Specifically, sections 7002 and 7004 of the Families First Act permit an eligible self-employed individual to claim refundable tax credits for qualified sick leave equivalent amounts and qualified family leave equivalent amounts (qualified leave equivalent amounts) if the individual is unable to work or telework during the period beginning April 1, 2020, through March 31, 2021, due to certain circumstances related to COVID-19. Sections 9642 and 9643 of the ARP permit an eligible self-employed individual to claim refundable tax credits for qualified leave equivalent amounts if the individual is unable to work or telework during the period beginning April 1, 2021, through September 30, 2021, due to certain circumstances related to COVID-19. An eligible self-employed individual may have to reduce qualified leave equivalent amounts by some or all of the qualified leave wages the individual received from an employer. See sections 7002 and 7004 of the Families First Act and sections 9642 and 9643 of the ARP.

Sections 7002(g) and 7004(e) of the Families First Act provide that the Secretary

⁶ Qualified leave wages under the Families First Act are also determined without regard to section 7005(a) of the Families First Act.

of the Treasury will prescribe such regulations or other guidance as may be necessary to carry out the purposes of sections 7002 and 7004 of the Families First Act, respectively. Section 9642(h) and section 9643(h) of the ARP provide that the Secretary of the Treasury will prescribe such regulations or other guidance as may be necessary to carry out the purposes of sections 9642 and 9643 of the ARP, respectively.

Qualified leave wages paid for leave beginning January 1, 2021, through March 31, 2021

With respect to paid leave provided under the Families First Act to employees beginning January 1, 2021, through March 31, 2021, qualified sick leave wages are wages and compensation, as defined under section 7001(c), paid for leave that would have satisfied the requirements of the EPSLA. In general, eligible employers are permitted to claim refundable tax credits if they provide employees with up to 80 hours of paid sick leave due to the employee being unable to work or telework because the employee—

- (1) is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
- (2) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- (3) is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- (4) is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- (5) is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or

daughter is unavailable, due to COVID-19 precautions; or

(6) is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of the Treasury and Labor.⁷

An employee who receives paid sick leave due to the inability to work or telework for reasons related to COVID-19 described in (1), (2), or (3) above must be paid sick leave wages at the employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$511 per day and \$5,110 in the aggregate, for the eligible employer to claim the credit for leave provided to that employee during the period beginning April 1, 2020, through March 31, 2021. An employee who receives paid sick leave due to the inability to work or telework for reasons related to COVID-19 described in (4), (5), or (6) above must be paid sick leave wages at two-thirds the employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$200 per day and \$2,000 in the aggregate. Because the sick leave wage cap is not increased for the period beginning January 1, 2021, and ending March 31, 2021, no more than \$5,110 (or \$2,000 for absences described in (4), (5), and (6) above) in the aggregate may be claimed by an employer with respect to leave provided to an employee during the period beginning April 1, 2020, through March 31, 2021.

With respect to paid leave provided to employees during the period beginning January 1, 2021, through March 31, 2021, qualified family leave wages are wages and

⁷ The U.S. Department of Health and Human Services has not specified any other conditions for credits available under the Families First Act, but see the discussion regarding the additional conditions specified that apply for credits available under the ARP.

compensation, as defined under section 7003(c) of the Families First Act, paid for leave that would have satisfied the requirements of the EFMLEA. In general, eligible employers are permitted to claim refundable tax credits if they provide employees with up to 10 weeks of paid family leave due to the employee being unable to work or telework because the employee is caring for a son or daughter whose school or place of care is closed or whose child care provider is unavailable for reasons related to COVID-19. To receive the credit, the eligible employer must pay the employee family leave wages at two-thirds the employee's regular rate of pay, up to \$200 per day and \$10,000 in the aggregate. Because the family leave wage cap is not increased for the period beginning January 1, 2021, and ending March 31, 2021, no more than \$10,000 in the aggregate may be claimed by an employer with respect to leave provided to an employee during the period beginning April 1, 2020, through March 31, 2021.

Reduction to qualified leave equivalent amounts for qualified leave wages paid beginning January 1, 2021, through March 31, 2021

If a self-employed individual is entitled to a refundable tax credit for a qualified sick leave equivalent amount under section 7002(a) of the Families First Act and also receives qualified sick leave wages as an employee, section 7002(d)(3) of the Families First Act reduces the qualified sick leave equivalent amount for which the eligible self-employed individual may claim a credit to the extent that the sum of the qualified sick leave equivalent amount described in section 7002(c) of the Families First Act and any qualified sick leave wages under section 7001(b)(1) of the Families First Act exceeds \$2,000 (or \$5,110 in the case of any day any portion of which is paid sick time described in paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA). Similarly, if a self-employed individual is entitled to a refundable tax credit for a qualified family leave

equivalent amount under section 7004(a) of the Families First Act and also receives qualified family leave wages as an employee, section 7004(d)(3) of the Families First Act reduces the qualified family leave equivalent amount for which the self-employed individual may claim a credit to the extent that the sum of the qualified family leave equivalent amount described in section 7004(c) of the Families First Act and the qualified family leave wages under section 7003(b)(1) of the Families First Act exceeds \$10,000.

Under the Families First Act, the requirement to reduce qualified leave equivalent amounts is not applied separately for 2020 and 2021. Instead, the reduction to the qualified leave equivalent amounts in each case is figured using the sum of the qualified leave equivalent amounts and the qualified leave wages for the entire period beginning April 1, 2020, through March 31, 2021. As a result, if an eligible self-employed individual reduced a qualified sick leave equivalent amount for 2020 because the sum of the qualified sick leave equivalent amount and the qualified sick leave wages exceeded \$5,110, then no credit under section 7002 of the Families First Act will be available for 2021. Likewise, if an eligible self-employed individual reduced a qualified family leave equivalent amount for 2020 because the sum of the qualified family leave equivalent amount and the qualified family leave wages exceeded \$10,000, then no credit under section 7004 of the Families First Act will be available for 2021.

Qualified leave wages paid for leave beginning April 1, 2021, through September 30, 2021

With respect to leave provided under sections 3131 and 3132 of the Code to employees beginning April 1, 2021, through September 30, 2021, qualified sick leave wages are wages and compensation, as defined under section 3131(f)(2), paid with

respect to leave that would have satisfied the requirements of the EPSLA. In general, eligible employers are permitted to claim refundable tax credits under section 3131 if they provide employees with up to 80 hours of paid sick leave due to the employee being unable to work or telework because the employee—

- (1) is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
- (2) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- (3) is experiencing symptoms of COVID-19 and is seeking a medical diagnosis; or is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and has been exposed to COVID-19, or the employer has requested such test or diagnosis, or is obtaining immunization related to COVID-19 or is recovering from any injury, disability, illness, or condition related to such immunization;⁸
- (4) is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- (5) is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions; or
- (6) is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of

⁸ For purpose of the ARP, paragraph (3) of section 5102(a) of the EPSLA was modified to include certain absences related to receiving or recovering from vaccinations (see section 3131(c)(2) of the Code).

the Treasury and Labor, including if the employee is accompanying an individual to obtain immunization related to COVID-19, or is caring for an individual who is recovering from any injury, disability, illness, or condition related to the immunization.⁹

An employee who receives paid sick leave due to the inability to work or telework for reasons related to COVID-19 described in paragraphs (1), (2), or (3) above after March 31, 2021, and before October 1, 2021, must be paid sick leave wages at the employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$511 per day and \$5,110 in the aggregate for the eligible employer to claim the credit for leave provided to that employee beginning April 1, 2021, through September 30, 2021. An employee who receives paid sick leave due to the inability to work or telework for reasons related to COVID-19 described in paragraphs (4), (5), or (6) above after March 31, 2021, and before October 1, 2021, must be paid sick leave wages at two-thirds of the employee's regular rate of pay or, if higher, the Federal minimum wage or any applicable State or local minimum wage, up to \$200 per day and \$2,000 in the aggregate for the eligible employer to claim the credit for leave provided to that employee beginning April 1, 2021, through September 30, 2021.

With respect to leave provided to employees during the period beginning April 1, 2021, through September 30, 2021, qualified family leave wages are wages and

⁹ As of the date of this Notice, the IRS has posted FAQs titled "Tax Credits for Paid Leave Under the American Rescue Plan Act of 2021 for Leave After March 31, 2021," on IRS.gov, which reflect the substantially similar conditions designated by the Secretary of Health and Human Services in consultation with the Secretaries of Labor and the Treasury. The FAQs will be periodically updated with new information as necessary. See <https://www.irs.gov/newsroom/tax-credits-for-paid-leave-under-the-american-rescue-plan-act-of-2021-specific-provisions-related-to-self-employed-individuals>.

compensation, as defined under section 3132(f)(2) of the Code, paid with respect to leave that would have satisfied the requirements of the EFMLEA. In general, eligible employers are permitted to claim refundable tax credits under section 3132 if they provide employees with up to 12 weeks of paid family leave due to the employee being unable to work or telework for any of the same reasons for which an employee can take paid sick leave. To receive the credit, the eligible employer must pay the employee family leave wages at two-thirds of the employee's regular rate of pay, up to \$200 per day and \$12,000 in the aggregate, with respect to leave provided to that employee during the period beginning April 1, 2021, through September 30, 2021.

Reduction to qualified leave equivalent amounts for qualified leave wages paid beginning April 1, 2021, through September 30, 2021

If a self-employed individual is entitled to a refundable tax credit for a qualified sick leave equivalent amount under section 9642(a) of the ARP and also receives qualified sick leave wages as an employee, section 9642(e)(2) of the ARP reduces the qualified sick leave equivalent amount for which the eligible self-employed individual may claim a credit to the extent that the sum of the qualified sick leave equivalent amount described in section 9642(c) of the ARP and any qualified sick leave wages under section 3131(b)(1) of the Code exceeds \$2,000 (or \$5,110 in the case of any day any portion of which is paid sick time described in paragraph (1), (2), or (3) of section 5102(a) of the EPSLA). Similarly, if a self-employed individual is entitled to a refundable tax credit for a qualified family leave equivalent amount under section 9643(a) of the ARP, and also receives qualified family leave wages that meet the requirements of the EFMLEA, section 9643(e)(2) of the ARP reduces the qualified family leave equivalent amount for which the self-employed individual may claim a credit to the extent that the

sum of the qualified family leave equivalent amount described in section 9643(c) of the ARP and the qualified family leave wages under section 3132(b)(1) of the Code exceeds \$12,000.

III. REPORTING REQUIREMENTS

In order to provide eligible self-employed individuals who also receive wages or compensation as employees with the information they need to properly claim any qualified sick leave equivalent or qualified family leave equivalent credits for the 2021 taxable year, this notice requires eligible employers to report to employees the amount of qualified sick leave wages and qualified family leave wages paid to the employees under (i) sections 7001 or 7003 of the Families First Act for leave provided during the period beginning January 1, 2021, through March 31, 2021, and (ii) sections 3131 and 3132 of the Code for leave provided during the period beginning April 1, 2021, through September 30, 2021. Furthermore, since qualified leave wages are defined under both the Families First Act and sections 3131 and 3132 of the Code as wages defined in section 3121(a) without regard to the exclusions from employment under section 3121(b)(1) through (22) and compensation defined in section 3231(e) without regard to the exclusions from compensation under section 3231(e)(1), eligible employers must determine the amount of qualified leave wages to report without regard to the exclusions from employment under section 3121(b)(1) through (22) and without regard to the exclusions from compensation under section 3231(e)(1).¹⁰

¹⁰ For purposes of determining qualified wages under the Families First Act, employers must also disregard section 7005(a). For more information about the definition of wages for purposes sections 3131 and 3132 of the Code, see Tax Credits for Paid Leave Under the American Rescue Plan Act of 2021 for Leave After March 31, 2021: Special Issues for Employers—Other Issues, FAQ 93 for examples, which may be found at <https://www.irs.gov/newsroom/tax-credits-for-paid-leave-under-the-american-rescue-plan-act-of-2021-special-issues-for-employers-other-issues>.

Only eligible employers who claim credits under the Families First Act or sections 3131 and 3132 of the Code are required to separately report qualified sick leave wages and qualified family leave wages to their employees. Eligible employers who forego claiming refundable tax credits under the Families First Act or sections 3131 and 3132 of the Code for qualified leave wages are not required to separately report qualified sick leave wages or qualified family leave wages paid to employees to the extent those wages are not claimed as a credit. Furthermore, governmental employers that are prohibited from claiming credits for qualified leave wages are not required to separately report any qualified sick leave wages or qualified family leave wages paid to employees.

Eligible employers have separate reporting requirements for (i) leave provided to employees during the period beginning January 1, 2021, through March 31, 2021, under the Families First Act; and (ii) leave provided to employees during the period beginning April 1, 2021, through September 30, 2021, under sections 3131 and 3132 of the Code. With respect to leave provided to employees during the period beginning January 1, 2021, through March 31, 2021, eligible employers claiming a credit under sections 7001 or 7003 of the Families First Act must separately state the total amount of qualified sick leave wages paid under the provisions of paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA, qualified sick leave wages paid under the provisions of paragraphs (4), (5), or (6) of section 5102(a) of the EPSLA, and qualified family leave wages paid under the provisions of section 3102(b) of the EFMLEA. With respect to leave provided to employees during the period beginning April 1, 2021, through September 30, 2021, eligible employers claiming a credit under sections 3131 or 3132 of the Code must separately state the total amount of qualified sick leave wages paid under the provisions

of paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA, qualified sick leave wages paid under the provisions of paragraphs (4), (5), or (6) of section 5102(a) of the EPSLA, and qualified family leave wages paid under the EFMLEA.

Employers must separately state each of these wage amounts either on the 2021 Form W-2, Box 14, or on a separate statement included with each employee's Form W-2, *Wage and Tax Statement*. Self-employed individuals claiming a credit for a qualified sick leave equivalent amount or qualified family leave equivalent amount must report these qualified sick leave wages and qualified family leave wages on Form 7202, *Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals*, included with their 2021 income tax returns, and may have to reduce (but not below zero) any qualified sick leave or qualified family leave equivalent amounts by these qualified leave wages.

Specific Reporting Instructions

Qualified leave wages paid in 2021 under the Families First Act and sections 3131 and 3132 of the Code are to be reported in Box 1 of Form W-2. To the extent that qualified leave wages are social security wages or Medicare wages, they must also be included in Box 3 (up to the social security wage base) and Box 5, respectively. To the extent qualified leave wages are compensation subject to the RRTA, they must also be included in Box 14 under the appropriate RRTA reporting label(s).¹¹

¹¹ Railroad employers are directed by the instructions to Form W-2 to report certain specified amounts in Box 14. Other employers are directed to use Box 14 "for any other information that you want to give to your employee. Label each item." This notice directs all employers to use Box 14 to report qualified sick leave wages and qualified family leave wages, unless a separate statement is used instead.

In addition to the regular reporting requirements, employers must report to the employee the following types and amounts of the wages that were paid, with each amount separately reported either in Box 14 of Form W-2 or on a separate statement:¹²

- The total amount of qualified sick leave wages paid for reasons described in paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA with respect to leave provided to employees during the period beginning on January 1, 2021, through March 31, 2021. In labeling this amount, employers must use the following, or similar language: “sick leave wages subject to the \$511 per day limit paid for leave taken after December 31, 2020, and before April 1, 2021.”
- The total amount of qualified sick leave wages paid for reasons described in paragraphs (4), (5), or (6) of section 5102(a) of the EPSLA with respect to leave provided to employees during the period beginning on January 1, 2021, through March 31, 2021. In labeling this amount, employers must use the following, or similar language: “sick leave wages subject to the \$200 per day limit paid for leave taken after December 31, 2020, and before April 1, 2021.”
- The total amount of qualified family leave wages paid to the employee under the EFMLEA with respect to leave provided to employees during the period beginning on January 1, 2021, through March 31, 2021. In labeling this amount, employers must use the following or similar language: “emergency family leave wages paid for leave taken after December 31, 2020, and before April 1, 2021.”

¹² Qualified leave wages for leave provided to employees beginning April 1, 2020, through December 31, 2020, should be separately reported on a 2020 Form W-2 or separate statement as described in Notice 2020-54.

- The total amount of qualified sick leave wages paid for reasons described in paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA with respect to leave provided to employees during the period beginning on April 1, 2021, through September 30, 2021. In labeling this amount, employers must use the following, or similar language: “sick leave wages subject to the \$511 per day limit paid for leave taken after March 31, 2021, and before October 1, 2021.”
- The total amount of qualified sick leave wages paid for reasons described in paragraphs (4), (5), and (6) of section 5102(a) of the EPSLA with respect to leave provided to employees during the period beginning on April 1, 2021, through September 30, 2021. In labeling this amount, employers must use the following, or similar language: “sick leave wages subject to the \$200 per day limit paid for leave taken after March 31, 2021, and before October 1, 2021.”
- The total amount of qualified family leave wages paid to the employee under the EFMLEA with respect to leave provided to employees during the period beginning on April 1, 2021, through September 30, 2021. In labeling this amount, employers must use the following or similar language: “emergency family leave wages paid for leave taken after March 31, 2021, and before October 1, 2021.”

If a separate statement is provided and the employee receives a paper Form W-2, then the statement must be included with the Form W-2 sent to the employee, and if the employee receives an electronic Form W-2, then the statement must be provided in the same manner and at the same time as the Form W-2.

If an employer that does not claim credits under these provisions or an employer that is prohibited from claiming those credits erroneously reports sick leave wages or

family leave wages to an employee on Form W-2, Box 14, or on a separate statement, the employer must either furnish a W-2c, *Corrected Wage and Tax Statement*, or provide a corrected statement to the employee correcting the erroneous reporting. The Form W-2c or corrected statement should be sent only to the employee. The employer should not file Form W-2c with the Social Security Administration solely to correct the amount in Box 14.

Model language for employee instructions

As part of the Instructions for Employee, under the instructions for Box 14, for the Forms W-2, or in a separate statement sent to the employee, the employer may provide additional information about qualified sick leave wages and qualified family leave wages and explain that these wages may limit the amount of the qualified sick leave equivalent or qualified family leave equivalent credits to which the employee may be entitled with respect to any self-employment income. The following model language (modified as necessary) may be used. Please note that this language has been modified from that suggested in Notice 2020-54.

“Included in Box 14, if applicable, are amounts paid to you as qualified sick leave wages or qualified family leave wages under the Families First Coronavirus Response Act and/or sections 3131 and 3132 of the Internal Revenue Code. Specifically, up to six types of paid qualified sick leave wages or qualified family leave wages may be reported in Box 14:

- Sick leave wages subject to the \$511 per day limit paid for leave taken after December 31, 2020, and before April 1, 2021, because of care you required.

- Sick leave wages subject to the \$200 per day limit paid for leave taken after December 31, 2020, and before April 1, 2021, because of care you provided to another.
- Emergency family leave wages paid for leave taken after December 31, 2020, and before April 1, 2021.
- Sick leave wages subject to the \$511 per day limit paid for leave taken after March 31, 2021, and before October 1, 2021, because of care you required.
- Sick leave wages subject to the \$200 per day limit paid for leave taken after March 31, 2021, and before October 1, 2021, because of care you provided to another.
- Emergency family leave wages paid for leave taken after March 31, 2021, and before October 1, 2021.

If you have self-employment income in addition to wages paid by your employer, and you intend to claim any qualified sick leave or qualified family leave equivalent credits, you must report the qualified sick leave or qualified family leave wages on Form 7202, *Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals*, included with your income tax return, and may have to reduce (but not below zero) any qualified sick leave or qualified family leave equivalent credits by the amount of these qualified leave wages. If you have self-employment income, you should refer to the instructions for your individual income tax return for more information.”

III. PAPERWORK REDUCTION ACT

Any collection of information associated with this notice has been submitted to the Office of Management and Budget for review under OMB control number 1545-0008 in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number.

IV. DRAFTING INFORMATION

The principal authors of this notice are Michael Gitlin and Jason Healey. For further information on the provisions of this notice, please contact Mr. Gitlin or Mr. Healey at 202-317-6798 (not a toll-free call).