Employers May Claim Credit For Providing Paid Family & Medical Leave

October is National Work and Family Month

Written Policy
To claim the credit, eligible employers must have a written policy with certain requirements, including at least 2 weeks of paid leave to full-time employees. The paid leave must be at least 50% of the employee's normal wages.

Qualifying Employees
A qualifying employee is any employee under the Fair Labor Standards Act who:
• has been employed by the employer for one year or more
• had compensation not more than a certain amount for the preceding year

Form for Employers
The credit is generally effective for wages the employer paid in taxable years beginning after Dec. 31, 2017, and before Jan. 1, 2020. Eligible employers use Form 8994, Credit for Paid Family and Medical Leave, to figure the credit.

Publication 5327, New tax credit for employers who provide paid family and medical leave, also available in Spanish, on IRS.gov provides more information.