



**SUSANA A. MENDOZA**  
ILLINOIS STATE COMPTROLLER

# PAYROLL BULLETIN

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TO: All State Agencies, Boards and Commissions

FROM: Ellen Andres, Assistant Comptroller - Operations

DATE: December 4, 2020

SUBJECT: Employer Portion of Social Security Tax Paid for Sick and Family Leave Wages under the Families First Coronavirus Response Act

NUMBER: 9-20

The Internal Revenue Service recently updated the instructions for the filing of Form 941 (Employer's Quarterly Federal Tax Return). The updated instructions state that qualified sick and family leave wages paid to employees under the [Families First Coronavirus Response Act \(FFCRA\)](#) are not subject to the employer share of the social security tax.

The IOC remits employer social security payments for the State of Illinois. We will need to file amended 941 returns for quarterly submissions which contain qualifying wages paid and request a refund of the employer portion of social security tax. Unfortunately, we do not have a mechanism to determine how much of the payroll qualifies, but this will amount to a significant refund for the State.

Qualifying wages include the following:

- Sick leave wages subject to the \$511 per day limit due to care the employee required (sick time provided to the employee). These reasons are described in paragraphs (1), (2), and (3) of section 5102(a) of the Emergency Paid Sick Leave Act.
- Sick leave wages subject to the \$200 per day limit due to care the employee provided to another person. These reasons are described in paragraphs (4), (5), and (6) of section 5102(a) of the Emergency Paid Sick Leave Act.
- Emergency family leave wages paid under the Emergency Family and Medical Leave Expansion Act.
- For the purpose of this bulletin, the above wages should only be reported if the employee was subject to FICA withholding at the time the above wages were paid.

To facilitate the completion of the amended returns, all agencies are required to submit a separate report for each quarter during which qualified wages were paid. This properly formatted [941 FFCRA Report](#) will provide the IOC information on qualifying wages and the employer portion of social security tax paid on those wages. The report should be submitted via secure email to

[Katie.Guy@illinoiscomptroller.gov](mailto:Katie.Guy@illinoiscomptroller.gov), according to the schedule below:

<b>Reporting Period</b>	<b>for Qualifying Wages Paid During</b>	<b>Due to IOC</b>
2 <sup>nd</sup> Q, Calendar Year 2020	4/1/20 – 6/30/20	12/31/20
3 <sup>rd</sup> Q, Calendar Year 2020	7/1/20 – 9/30/20	12/31/20
4 <sup>th</sup> Q, Calendar Year 2020	10/1/20 – 12/31/20	1/31/21
1 <sup>st</sup> Q, Calendar Year 2021	1/1/21 – 3/31/21*	4/30/21

\*The leave provisions under FFCRA are set to expire on December 31, 2020. The quarterly reports should reflect when the qualifying wages were paid, not the pay period in which the qualifying leave was taken. For example, an employee that takes qualifying leave between December 16<sup>th</sup>-31<sup>st</sup>, 2020 would be paid for that pay period in 2021. Therefore, the qualifying wages should be reported for the first quarter of calendar year 2021 and due to the IOC by April 30, 2021. If the FFCRA leave provisions are extended past December 31, 2020, the IOC will issue an updated Payroll Bulletin.

Agencies should notify Katie Guy via email if they do not have qualifying wages to report or if they have an issue meeting the scheduled deadlines. These email notifications should be submitted on or before the quarterly due date.

As soon as is reasonably possible following the receipt of necessary agency submissions, the IOC will file amended returns and request a refund of the previously paid employer portion of the social security tax paid on qualifying wages. The IOC will remit the refund to the agency.

If you have questions concerning this Payroll Bulletin, please contact Katie Guy at the email provided above. Agencies may access this and other [Accounting](#), [Payroll](#), and [SAMS](#) Bulletins on the IOC website.