masuda funai



News & Types: Employment, Labor & Benefits Update

Masuda Funai Employment Newsflash - American Rescue Plan Act is Now in Force

3/16/2021

Practices: Employment, Labor & Benefits

The American Rescue Plan Act is now in force. Signed by President Biden, one section impacts employers who voluntarily want to provide paid leaves of absence under the Emergency Paid Sick Leave Act (EPSL) or the Emergency FMLA (FMLA). Congress mandated these leaves through December 31, 2020, and, since then, they have been voluntary. If an employer grants these leaves through September 30, 2021, the employer may take a payroll tax credit for the paid leaves granted. Until now, this option was available until March 31, 2021.

New in the Rescue Plan is that employers may provide paid EPSL or EFMLA for vaccine appointments and any medical complications due to receiving the vaccine. A new, 80 hours of paid time off for EPSL and a new 10-week period for EFMLA leave begins on April 1, 2021. The monetary limit on credit for EFMLA is increased to $12,000. Therefore, employers need to decide whether to provide these benefits voluntarily starting on April 1, 2021. If employers provide the benefits, they must provide them to all employees, update the forms, and maintain the records for their accountants and auditors.

©2026 Masuda, Funai, Eifert & Mitchell, Ltd. All rights reserved. This publication should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended solely for informational purposes and you should not act or rely upon information contained herein without consulting a lawyer for advice. This publication may constitute Advertising Material.