



May 2018

IRS Releases FAQs on the Section 45S Employer Credit for Paid Family and Medical Leave

The recently enacted Tax Cuts and Jobs Act (the Act) includes the addition of Section 45S, in affiliation with the Family and Medical Leave Act (FMLA). The new tax credit now provides employers a tax credit incentive to voluntarily pay employees wages while on FMLA-qualified leave.

The Internal Revenue Service (IRS) has released the following FAQs on this new credit:

- What is the employer credit for paid family and medical leave?
- Who may claim the employer credit for paid family and medical leave?
- Who is a qualifying employee?
- What is “family and medical leave” for purposes of the paid family and medical leave credit?
- How is the paid family and medical leave credit calculated?
- How does the credit impact an employer’s deduction for the wages paid to an employee while on family and medical leave or claim for any other general business credits?
- What is the effective date of the paid family and medical leave credit?
- Will the IRS provide additional information on the credit?

Click [here](#) to read more about the FMLA credit in our prior DHG Tax Alert.

Click [here](#) to read the full list of IRS FAQs.