# ¶47,125 IRS guidance addresses reporting on qualified sick leave and family leave wages — AGENCY GUIDANCE,(Jul. 13, 2020)

The IRS has released guidance to employers in connection with the requirement to report the amount of qualified sick and family leave wages paid to employees under the Families First Coronavirus Response Act (Families First Act). Employers are required to report these amounts either on Form W-2, Box 14, or on a separate statement. This required reporting provides employees who are also self-employed with information necessary for properly claiming qualified sick leave equivalent or qualified family leave equivalent credits under the Families First Act, the [guidance](https://www.irs.gov/pub/irs-drop/n-20-54.pdf) notes.

**Reporting qualified sick leave wages.** In addition to including qualified sick leave wages in the amount of wages paid to the employee reported in Boxes 1, 3 (up to the social security wage base), and 5 of Form W-2 (or, in the case of compensation subject to the Railroad Retirement Tax Act (RRTA), in the amount of RRTA compensation paid to the employee reported in Boxes 1 and 14 of Form W-2), employers must report to the employee the following type and amount of the wages that were paid, with each amount separately reported either in Box 14 of Form W-2 or on a separate statement:

* the total amount of qualified sick leave wages paid for reasons described in paragraphs (1), (2), or (3) of section 5102(a) of the Emergency Paid Sick Leave Act (EPSLA); in labeling this amount, the employer must use the following, or similar, language: "sick leave wages subject to the $511 per day limit;" and
* 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; in labeling this amount, the employer must use the following or similar language: "sick leave wages subject to the $200 per day limit."

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 provided to the employee, and if the employee receives an electronic Form W-2, then the statement shall be provided in the same manner and at the same time as the Form W-2.

**Reporting qualified family leave wages.** In addition to including qualified family leave wages in the amount of wages paid to the employee reported in Boxes 1, 3 (up to the social security wage base), and 5 of Form W-2 (or, in the case of compensation subject to RRTA, in the amount of RRTA compensation paid to the employee reported in Boxes 1 and 14 of Form W-2), employers must separately report to the employee the total amount of qualified family leave wages paid to the employee under the Emergency Family and Medical Leave Expansion Act (EFMLEA) either in Box 14 of Form W-2 or on a separate statement. In labeling this amount, the employer must use the following, or similar, language: "emergency family leave wages". 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 shall be provided in the same manner and at the same time as the Form W-2.

**Reporting by self-employed individual.** Self-employed individuals claiming qualified sick leave equivalent or qualified family leave equivalent credits must then report these qualified sick leave and qualified family leave wage amounts on Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, included with their income tax returns, and reduce (but not below zero) any qualified sick leave or qualified family leave equivalent credits by the amount of these qualified leave wages.