

## ***Federal Tax Credits to Employers for Paid Time Off for Employee Vaccinations***

By [Harvey R. Linder](#)

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As more and more U.S. employees have become eligible to become vaccinated, employers are attempting to deal with the logistics affecting the workplace. As reported in my previous article on [COVID vaccinations in the workplace](#) and [the subsequent update](#), the Food and Drug Administration (“FDA”), citing the Federal Food, Drug, and Cosmetic Act (“ACT”), stated that federal law provides that, at least until the vaccines are licensed, individuals must have the option to accept or decline to be vaccinated. **Thus, it is recommended that no company require or mandate its employees to get the vaccine.**

Public and private companies, as well as federal, state, and local governmental entities, have been trying to determine the best way to incentivize workers into getting vaccinated. Last week, President Biden offered an incentive to the employers to be creative. He announced tax credits for certain businesses that are willing to pay employees who take time off to get their COVID-19 vaccinations. This is a new effort to involve corporate America in his vaccination campaign.

Quoting the President, “I’m calling on every employer, large and small, in every state to give employees the time off they need with pay to get vaccinated.” Administration officials said the government plans to reimburse businesses for the cost of giving workers as many as 80 hours in paid time off to get their shots or recover from any side effects. The tax credits will apply to businesses with fewer than 500 employees.

The tax credit is for up to \$511 per day for each worker, for vaccinations received by September 2021. Businesses with fewer than 500 employees employ roughly half of U.S. private-sector workers. The tax credits were authorized in accordance with Democratic-backed COVID-19 pandemic relief legislation passed by Congress and signed by Biden over Republican opposition, the \$2 trillion stimulus bill – the American Rescue Plan.

The President’s philosophy is that providing paid time off for vaccinations is an investment in the safety, productivity, and health of an employer’s own workforce and their community. He believes that no working person in this country should lose a single dollar from their paycheck to take time to get the shot or recover from it. The paid leave tax credit that President Biden signed into the law in the American Rescue Plan ensures that no small businesses or non-profits will lose a single dollar by providing such paid leave to workers receiving a vaccination.

The Internal Revenue Service [released and posted a fact sheet](#) that provides more detail on how to claim the paid sick leave credit on your quarterly tax filings. As always, particularly in this ever-changing environment, employers are advised to consult with their employment/labor attorneys and tax preparers before taking this or any other similar step.

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