

Small Businesses Can Get a Tax Credit for Providing Vaccination Paid Leave

By Allen Smith, J.D., and Lisa Nagele-Piazza, J.D., SHRM-SCP

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To encourage more widespread vaccinations, President Joe Biden highlighted a paid-leave tax credit for employers that provide full pay for employees who take time off to get and recover from a COVID-19 vaccination. The tax credit (<https://home.treasury.gov/system/files/136/Paid-Leave-Credit-Snapshot.pdf>) is available to organizations with fewer than 500 employees, covers up to \$511 per day for each vaccinated employee and is funded by the American Rescue Plan.

Administration officials cited talks with businesses along with polling that showed employees would be highly persuaded to get vaccinated if their employers provided access to a shot, reported Axios (https://www.axios.com/biden-vaccine-employers-paid-time-off-57ed6890-2270-43a8-9bba-b1dc7571e461.html?stream=future&utm_source=alert&utm_medium=email&utm_campaign=alerts_business).

According to recent Society for Human Resource Management (SHRM) research, 11 percent of employed Americans say they would consider getting the vaccine if their employer offered up to \$150, and 21 percent would consider getting the vaccine if offered more than \$150.

"Tens of thousands of lives saved so far," tweeted (<https://twitter.com/aslavitt46/status/1384927109974474756>) Andy Slavitt, the White House's senior advisor for COVID-19 response. "Now we must reach everyone 16 and over."

The White House created this form (https://urldefense.proofpoint.com/v2/url?u=https-3A__forms.office.com_Pages_ResponsePage.aspx-3Fid-3D6t2K1VNQgEqEmbNIEkQ36KJAlv29jFOvCm6Z-2DNtLjZUNDBNOFhUN1FGTVIwTVBOWERKRIQ0Q0IKVi4u&d=DwMFAg&c=nQOnw6HHAeKBNxj23OXhOw&r=YnZJC8DIWQKJenuZVf1K9HB2EY-cqVEcr7GtlriV8k&m=crgxw5RlagnOXbr7VIR29Lx-uLgbUp4IFXah3S9fWql&s=55ILCJCjzoYvMIWcX5LEGf_tmGmt7o99ZO9AAFDDAvk&e=) and is asking employers, including SHRM members, to share how they are stepping up to support COVID-19 vaccinations.

"As businesses navigate how to safely reopen physical worksites, COVID-19 vaccinations are top of mind for employers and HR professionals across the country. SHRM looks forward to partnering with the administration to reach HR professionals and employers in this important work. We encourage HR professionals to share how you are supporting your workforce and workplace in this vaccination process," said Emily M. Dickens, chief of staff, head of government affairs and corporate secretary.

SHRM is encouraging members who complete the form to note that they are SHRM members.

We've rounded up articles and resources from *SHRM Online* and other trusted media outlets on the news.

Investment in Safety

The president announced that 200 million COVID-19 vaccination shots will be administered by the close of his first 100 days in office. As vaccines become available to all adults in the country, the White House is asking employers to provide full pay to employees who need to take time off to get vaccinated and recover from related side effects.

"Providing paid time off for vaccinations is an investment in the safety, productivity and health of an employer's own workforce and their community," according to a White House press statement. "The paid-leave tax credit that President Biden signed into the law in the American Rescue Plan ensures that no small businesses or nonprofits will lose a single dollar by providing such paid leave to workers receiving a vaccination."

(The White House (<https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/21/fact-sheet-president-biden-to-call-on-all-employers-to-provide-paid-time-off-for-employees-to-get-vaccinated-after-meeting-goal-of-200-million-shots-in-the-first-100-days/>))

New Priorities

The White House initially focused on increasing vaccine supplies and is now aiming to convince people to get vaccinated. The Biden administration is concerned about new variants and its ability to control the virus if not enough people get vaccinated.

"The time is now to open up a new phase of this historic vaccination effort," Biden said. "If you've been waiting for your turn, wait no longer."

(*The Washington Post* (https://www.washingtonpost.com/business/on-small-business/biden-touts-tax-credit-to-prod-businesses-on-workers-shots/2021/04/21/99ba77c8-a2db-11eb-b314-2e993bd83e31_story.html))

IRS Provides Employer Guidance

The Internal Revenue Service (IRS) released a fact sheet to educate employers on how to claim the paid-sick-leave credit on their quarterly tax filings. Nearly half of all private-sector employers in the U.S. will be eligible for the tax credit. Employers also can review more details about the tax credit in a document (https://urldefense.proofpoint.com/v2/url?u=https-3A__home.treasury.gov_system_files_136_Paid-2DLeave-2DCredit-2DSnapshot.pdf&d=DwMFAg&c=nQOnw6HHAeKBNxj23OXhOw&r=YnZJC8DIWQKJenuZVf1K9HB2EY-cqVEcr7GtllriV8k&m=crgxw5RlagmOXbr7VIR29Lx-uLgbUp4IFXah3S9fWql&s=Gm9YI-cZ8AX6HLUXmtqSYKL9Q1gqWVliMwZZxlreHVA&e=) from the U.S. Department of the Treasury.

(Internal Revenue Service (<https://www.irs.gov/newsroom/employer-tax-credits-for-employee-paid-leave-due-to-covid-19>))

Chamber of Commerce Applauds Move

The U.S. Chamber of Commerce called the tax credit "a path forward for economic health." Tom Sullivan, vice president of small business policy for the U.S. Chamber of Commerce, said, "Employers of all sizes play an important role in making it easy for employees and those in their communities to get vaccinated. Helping employers get more people vaccinated, especially through worksite clinics, is a path forward for our country's public health and economic strength."

(U.S. Chamber of Commerce (<https://www.uschamber.com/press-release/us-chamber-of-commerce-applauds-tax-credit-small-businesses-path-forward-economic>))

Can an Employee Refuse to Get a COVID-19 Vaccine?

Employers wanting to require workers to get a COVID-19 vaccination should be prepared to respond to workers' concerns and make reasonable accommodations under federal and state law. According to SHRM research, 60 percent of U.S. workers said they will probably or definitely get the vaccine once it becomes available to them. However, 28 percent of respondents said they are willing to lose their jobs if their employer requires the COVID-19 vaccine.

Under Equal Employment Opportunity Commission guidelines, employers must explore whether a reasonable accommodation is available to employees who refuse a vaccine for disability-related reasons or because of a sincerely held religious belief. In addition to legally protected reasons, however, employees may have general objections to receiving a COVID-19 vaccination that do not require a reasonable accommodation.

"Rather than implementing mandates that could lead to ... difficult decisions, employers may wish to focus on steps they can take to encourage and incentivize employees to get vaccinated," said Brett Coburn, an attorney with Alston & Bird in Atlanta.

(SHRM Online (www.shrm.org/ResourcesAndTools/legal-and-compliance/employment-law/pages/if-workers-refuse-a-covid-19-vaccination.aspx))

Offering Incentives

Incentives can be an effective way to encourage employees to get the COVID-19 vaccine. However, SHRM research shows that 88 percent of employers either are unsure about whether they will offer incentives to encourage employees to get the vaccine or are not offering or planning to offer such incentives. The lack of legal guidance (www.shrm.org/resourcesandtools/hr-topics/benefits/pages/employers-seek-clarity-on-covid-vaccination-incentives.aspx) about appropriate incentives likely is keeping some employers from moving ahead. However, organizations that are offering or planning to offer incentives for employees willing to get vaccinated are providing paid time off, gift cards, cash bonuses and stipends.

"Organization leaders, including HR professionals, are making decisions about employees returning to the worksite that will greatly affect their organizations and impact significant society issues," said SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP. "While 60 percent of organizations say they will not require the vaccination, I believe we will see employers strongly encourage vaccination in a broad range of enterprises and even consider offering employee incentives. Creating a safe workplace will be a collaborative effort between HR, business leaders and employees."

(SHRM Online (www.shrm.org/ResourcesAndTools/legal-and-compliance/employment-law/pages/employers-offer-covid-19-vaccine-incentives.aspx))

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