

# Paid Family and Medical Leave Tax Credit

The Tax Cuts and Jobs Act provided a new credit for businesses who offer paid family and medical leave to their employees. This credit is available for wages paid after December 31, 2017 and before January 1, 2020.

To be eligible for the credit, there must be a written policy in place that includes all of the following:

At least two weeks of paid family and medical leave annually for full-time employees and pro-rated for part-time employees

Pay for the family and medical leave that is at least 50% of the employee's normal wages

For tax year 2018, wages for the employee must be \$72,000 or less. The credit is for up to 25% of the wages paid during the leave. The leave must also be provided for one or more of the following situations:

birth or care of the employee's child

care of a spouse, child, or parent with a serious medical condition

serious health condition that makes the employee unable to do their job

qualifying need due to the employee's spouse, child, or parent being on covered active duty in the armed forces, including a notice of impending call to active duty

care for a service member who is the employee's spouse, child, parent, or next of kin.

Check out this IRS issued bulletin on the topic to read more!

<https://www.irs.gov/newsroom/new-credit-benefits-employers-who-provide-paid-family-and-medical-leave>