

American Rescue Plan Contains Employment- related Provisions



President Joe Biden signed the American Rescue Plan Act of 2021 (ARPA) into law on March 11, 2021. The ARPA contains the following measures relevant to employers and their employees:

- A subsidy for COBRA premiums, funded through employment tax credits
- Extension of employer tax credits for FFCRA employee leave voluntarily provided through Sept. 30, 2021
- Expansion of employee earnings eligible for the FFCRA tax credit
- Inclusion of testing and immunization as reasons for FFCRA leave
- Extension of \$300 increase in weekly unemployment benefits
- Extension of weekly unemployment benefits for workers—such as independent contractors and self-employed workers—who otherwise wouldn't qualify for these benefits
- Expansion of subsidy for ACA premiums
- Increase in DCAP contribution limits
- Extension and expansion of the employee retention tax credit

Action Steps

Employers should review the ARPA's provisions to identify any applicable requirements and opportunities—and continue to monitor official guidance on the implementation of the law.

