

Disability, Leave and Health Management



Paid Family Leave Tax Credit Calculator

Contribute to the Bottom Line & Estimate your Paid Family Leave Tax Credit.

If your company provides a qualifying* paid family and medical leave for at least 2 weeks, use this handy tax credit estimator to determine possible savings under the Tax Cut and Jobs Act. Simply calculate or estimate the annual amount of wages paid to employees who earn no more than \$72,000 for such absences up to 12 weeks per absence, making sure to exclude vacation, sick leave, PTO, or short-term or statutory disability benefits. Only estimate the wages paid pursuant to your company's stand-alone paid family or medical leave policy.

**Note that here are a number of requirements that must be satisfied in order for an employer to be eligible to take the credit, such as having a written policy that includes non-retaliation language. A Jackson Lewis attorney can help assess or draft your policy.*

<p>1. Estimated annual wages paid for Family and Medical Leave reasons, such as caring for a family member, parental leave, employee serious health condition, up to 12 weeks per absence for employees who earn no more than \$72,000**</p> <p><i>** Employees must work for the employer for at least 12 months prior to the first date of leave. Jackson Lewis attorneys can help you determine what information to gather.</i></p>		\$
<p>2. Subtract any vacation, sick leave, PTO, or short-term or statutory disability benefits from Line 1</p>	-	\$
<p>3. Take the amount from line 2 and multiply by:</p> <ul style="list-style-type: none"> ○ 12.5% if your policy pays 50% of wages ○ 25% if your policy pays 100% of wages ○ If your policy pays an amount in between 50% and 100%, multiply the percent of wages by .25 to determine the tax credit (e.g., a policy that pays 60% of wages = 15% tax credit, a policy that pays 80% of wages = 20% tax credit) <p>This is your estimated tax credit for tax year 2018***</p> <p><i>***This tool is provided for informational purposes, is only for calendar year taxpayers and should not be relied upon. Employers must seek their own individual tax advice. A tax credit is a dollar-for-dollar reduction to income tax liability.</i></p>	X	