

## IRS Issues Guidance on Employer COVID-19 Leave-Based Charitable Donation Payments

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In Notice 2020-46, the IRS provided guidance allowing employers to make cash payments to certain charitable organizations in exchange for vacation, sick, or personal leave that its employees elect to forgo without otherwise including such amounts in the employees' gross income. In order to qualify for this relief, the payments must be made to a qualifying charitable organization no later than December 31, 2020 for the relief of victims of the COVID-19 pandemic as set forth in President Trump's March 13, 2020 declaration of a nationwide emergency (a copy of which is available [here](#)). The employees will not be treated as constructively receiving any of the amounts they elect to forgo under the program, and the employees cannot claim a charitable contribution deduction with respect to the value of the forgone paid leave. Employers should (i) make sure that any election made by their employees is in writing and the recipient organization is a qualifying charitable organization and (ii) review state leave laws to ensure the program complies with any state leave law requirements. Notice 2020-46 is available [here](#).