



IRS provides guidance on employer leave-based donation programs that aid victims of the COVID-19 pandemic

IR-2020-119, June 11, 2020

WASHINGTON – The Internal Revenue Service today provided guidance for employers whose employees forgo sick, vacation or personal leave because of the COVID-19 pandemic.

[Notice 2020-46](#) provides that cash payments employers make to charitable organizations that provide relief to victims of the COVID-19 pandemic in exchange for sick, vacation or personal leave which their employees forgo will not be treated as compensation. Similarly, the employees will not be treated as receiving the value of the leave as income and cannot claim a deduction for the leave that they donated to their employer.

Employers, however, may deduct these cash payments as a business expense or as a charitable contribution deduction if the employer otherwise meets the respective requirements of either section.

[Notice 2020-46](#) provides further details for employers with leave donation programs.

Additional information about tax relief for those affected by the COVID-19 pandemic can be found on IRS.gov.