



WOMEN'S BUREAU  
U.S. DEPARTMENT OF LABOR

# FACT SHEET

JANUARY 2026

## EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE

A federal tax credit is available to employers who provide paid family and medical leave to their qualifying employees. This program was established by the 2017 Tax Cuts and Jobs Act and became permanent under the One Big Beautiful Bill Act in 2025. New OBBBA provisions include the following:

- Premiums paid for paid family and medical leave insurance plans are eligible for the credit.
- Employer-provided benefits for employees who worked as little as six months can now qualify.
- Credits are available for employer-provided benefits for part-time employees working 20 hours or more a week.

These changes are designed to make it easier for employers to claim the credit if they provide the paid family and medical leave benefit to their employees.

## HOW CAN MY BUSINESS CLAIM THE CREDIT AND WHERE CAN I FIND MORE RESOURCES?

### Use IRS Form 8994

"Employer Credit for Paid Family and Medical Leave"

(<https://www.irs.gov/pub/irs-pdf/f8994.pdf>)



### Read instructions for IRS Form 8994

(<https://www.irs.gov/forms-pubs/about-form-8994>)



Visit [IRS.gov](https://www.irs.gov) for more information and to stay updated on guidelines and requirements focused on One Big Beautiful Bill provisions. For more information, visit <https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions>.

