



Leave Sharing Plans Frequently Asked Questions

Q1. May employers set up a leave-sharing plan under IRS [Notice 2006-59 \(PDF\)](#) that permits employees to deposit leave in an employer-sponsored leave bank for use by other employees who have been adversely affected by the COVID-19 pandemic?

A1. Yes. Notice 2006-59 provides guidance on the federal tax consequences of certain leave-sharing plans that permit employees to deposit leave in an employer-sponsored leave bank for use by other employees who have been adversely affected by a major disaster such as the COVID-19 pandemic. See Notice 2006-59 for the requirements of a qualifying leave-sharing plan.

Q2. Does an employee who deposits leave have any income tax consequences?

A2. No. The employee who deposits leave need not include the deposited leave in income or wages.

Q3. May an employee who deposits leave claim an expense, charitable contribution, or loss deduction in the amount of the deposited leave?

A3. No. An employee who deposits leave may not claim an expense, charitable contribution, or loss deduction with respect to the deposited leave.

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