



Hello everyone, I hope you and your family are staying safe and doing well.

I wanted to send out an email giving a summary and update on the Government Programs that have been created to help small businesses make it through this difficult time. I will also give you my personal thoughts on each program and some potential issues that I am foreseeing. I am only trying to hit the highlights on each program. If you need a more detailed analysis refer back to my prior emails or let me know and I can get you more detailed guidance.

Paycheck Protection Program

This program has the potential to benefit all small businesses with less than 500 employees. This is an SBA backed loan that you obtain through your bank. **Applications will begin April 3rd**, so please be ready. Some basic information you will need is: The last 4 quarters 941's, most recent business tax return, Number of employees and payroll incurred over the most recent 12 months. **Please be ready and apply quickly, as there is a cap on the amount of money that can be loaned and demand will be high.** The proceeds of this loan will be forgiven if used within 8 weeks to pay salaries, interest on mortgages, rent, and utilities. **The treasury is now requiring that 75% of the forgiven loan amount must have been used to pay payroll.** This is a new requirement that just came out.

Be aware though that your loan forgiveness will be impacted by your employee retention and maintaining salary levels. I have had discussions with some clients that are concerned with employee retention due to generous unemployment benefits being offered. Here is a link to the FAQ's on the Program. [Paycheck Protection Program FAQs for Small Businesses](#). **I recommend that all that qualify should apply for this loan, just be aware of the employee retention and salary level requirements for loan forgiveness.**

Economic Injury Disaster Advance Loan

Small business owners are able to apply for an Economic Injury Disaster Loan advance of up to **\$10,000**. This advance provides economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of successful application. **This loan advance will not have to be repaid!** Apply for the Loan Advance [here](#).

If you apply for the PPP loan above and you have received the \$10,000, then the \$10,000 will be subtracted from the amount forgiven under the PPP. **I recommend everyone apply for this.**

50% Employee Retention Credit

This is available to employers and non profits whose operations have been fully or partially suspended as a result of a government order (Ex. Hair Salons, Restaurants) or employers that have experienced a 50% reduction in quarterly receipts year over year. **This credit is not available if you participate in the Paycheck Protection Program.** You must retain and pay your employees to get the credit. The credit is for 50% of wages and health benefits paid and is capped at the first \$10,000 in wages paid to the employee. It is effective from March 12, 2020 to January 1, 2021. This a great program if you qualify and you can not take advantage of the Paycheck Protection Program.

Paid Sick Leave

Effective April 1st through December 31st. Every employer with under 500 employees is required to provide 80 hours of paid sick leave at regular rate to an employee who is unable to work due to Quarantine or experiencing COVID 19 Symptoms. They must also provide 80 hours of paid sick leave at 2/3's pay if an employee is unable to work to care for an individual subject to quarantine or care for a child under age 18 whose school or child care is closed due to COVID 19. **Employers will receive a dollar for dollar reimbursement up to the appropriate per diem and aggregate payment caps and amounts to maintain health insurance coverage.** Click [here](#) for more detailed information.

Expanded Family and Medical Leave

Effective April 1st through December 31st. Every employer with under 500 employees is required to provide up to 10 weeks of pay at 2/3's an employee's regular rate of pay if they are unable to work due to a bonafide need for leave to care for a child whose school or child care provider is closed due to COVID 19. Employers will receive a dollar for dollar reimbursement up to the appropriate per diem and aggregate payment caps and amounts to maintain health insurance coverage. Click [here](#) for more detailed information. **You can be exempted from this requirement if you have under 50 employees and you feel that it would jeopardize the viability of the business as a going concern.**

Delay of payment of employer payroll taxes

This allows employers to defer paying the employer portion of social security taxes through the end of 2020. Although this can be helpful, I recommend that you deposit all payroll taxes as soon as you can. We never want you to get behind on payroll taxes.

Please remember that this is just a summary and that there are details that have not been mentioned in this email. For more detailed guidance refer to the links or my prior emails. I hope this helps to shed some light on what is available out there for assistance. As always, we are here and ready to help. If you need assistance just shoot us an email or give us a call.

Thank you!

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