

NAMFS COVID-19 Resource Sheet

Coronavirus Aid, Relief and Economic Security (CARES) Act

Business Related Highlights (SHRM Information - Society of Human Resource Management)

Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. All employers are responsible for paying a 6.2% Social Security tax on employee wages. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022. The Social Security Trust Funds will be held harmless under this provision.

Provides a refundable payroll tax credit for 50% of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended due to a COVID-19-related shut-down order, or (2) gross receipts declined by more than 50% when compared to the same quarter in the prior year.

- For employers with more than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances.
- For employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order.
- The credit is provided for the first \$10,000 of compensation, including health benefits, paid to an eligible employee and is provided for wages paid or incurred from March 13, 2020 through December 31, 2020.

Employers (of any size) may apply for relief loans due to COVID-19. One requirement (among others) for loan recipients is to maintain employment levels as of March 24, 2020 through September 30, 2020, to the extent practicable, and in any case shall not reduce their employment levels by more than 10% from the levels on such date the loan is acquired.

Employers with 500 or fewer employees are eligible to receive a loan to cover costs incurred by the employer between February 15 and June 30. For purposes of counting the number of employees that are employed, the term "employee" includes full-time employees, part-time employees, and individuals employed on "other basis," like seasonal or temporary.

- Loan to support, among other things, wages, cash tip equivalents, the cost of health benefits, the cost of retirement benefits, the cost of leave (e.g., vacation, family, and sick leave), or the payment of State or local taxes assessed on employee compensation. The loan can also be used to pay mortgage interest, rent, utility bills, and premiums for COBRA.
- Defines eligibility for loans as a small business, 501(c)(3) nonprofit, a 501(c)(19) veteran's organization, or Tribal business concern described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard for the industry as provided by SBA, if higher. Selfemployed individuals are also eligible to receive a loan.
- Small businesses may take out loans through December 31, 2020 and cover employees making up to \$100,000 per year; loans taken for this purpose may be forgiven if the business maintains an average monthly number of employees during the covered period (between February 15 and

June 30) that is no less than the number it had before the crisis began, among other requirements. Firms that have laid off employees may qualify for forgiveness if employees are rehired by April 1, 2020.

- The cost of participation in the program would be reduced for both borrowers and lenders by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties.

Midsized to large employers (500 to 10,000 employees) including nonprofit organizations may qualify for loans related to losses incurred as a result of COVID-19. Loan borrowers will not be required to pay principal or interest towards the loan for the first six months or longer at the discretion of the Treasury Secretary. Loan recipients must retain at least 90% of the workforce, at full compensation and benefits, until September 30, 2020, among other requirements.

CORONAVIRUS EMERGENCY LOANS Small Business Guide and Checklist

Here is a link to the US Chamber of Commerce Guide for Coronavirus Emergency Loan Program which will be administered and applied for through the SBA.

https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final_revised.pdf

SMALL BUSINESS ADMINISTRATION (SBA) Resources

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

SBA COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION - <https://covid19relief.sba.gov/#/>

SBA COVID-19 PAYCHECK PROTECTION PROGRAM (Available April 3, 2020)

<https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>