

On March 27, 2020, President Trump signed into law the **Coronavirus Aid, Relief, and Economic Security Act (H.R. 748) ("CARES Act")**. This \$2.2 trillion package is U.S. Congress's third stimulus plan in response to the COVID-19 pandemic, following an \$8.3 billion public health funding bill on March 6 and the \$100 billion **Families First Coronavirus Response Act** (H.R. 6201) on March 19.

(Here is) some of the pertinent guidance to help you navigate these provisions.

First we have the **Families First Coronavirus Response Act ("FFCRA")**. In essence This Act imposes obligations on many employers to provide temporary paid family and sick leave to employees directly impacted by the COVID-19 pandemic. There are fully refundable tax credits available for amounts paid to employee's under this act. I have attached some pertinent PDF documents related to this act.

Next is the **Payroll Protection Program ("PPP")**, which is an SBA-backed loan for up to 2.5 times your average monthly payroll costs. This loan is intended to supplant your own efforts in retaining employees during this pandemic, if your business closed or scaled back because of a closure order or decline in revenues. I've attached an information sheet and loan application to this email. In some instances the loan can be forgiven in its entirety. Any lender that is qualified to make SBA loans can fund a PPP loan. We suggest you speak with your current bank/lender to see if they are qualified to make SBA loans. All most all large national commercial lenders (PNC, Suntrust, Chase, etc.) are currently qualified to make these loans, and are gearing up for the process. The window for applying for these loans is 4/3/2020 to 6/30/2020. I've also attached some pertinent information related to this loan program.

Next there is the **Employee Retention Credit**. The Employee Retention Credit is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. An eligible employer is one who 1) has had their business partially suspended due to an appropriate governmental authority imposing restrictions upon the business operations by limiting commerce, travel, or group meetings to COVID-19 such that the operation can still continue to operate but not at its normal capacity, or 2) experiences a 50 percent decline in gross receipts during the calendar quarter versus the same calendar quarter in 2019. This provision is heavy on the technical tax issues, and the IRS has done a good job with this FAQ that covers just about everything. <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>

These three (3) provisions are intended to keep employees paid and/or retained during times where normal business operations are impacted by the COVID-19 pandemic.