

CARES Act for Small Business

As of April 2, 2020

BENEFITS TO EMPLOYEES (AND OWNER)

FOR BUSINESS OWNERS

CARES Act Provisions for Small Business Owners	Economic Injury Disaster Loan (EIDL): SBA 7(b)(2)	Paycheck Protection Program (PPP) Loan: SBA 7(a)	Employee Retention Credit	Delay of Payment of Employer Payroll Taxes
Loan or Credit Source	SBA https://covid19relief.sba.gov/#/	Private Lender (bank, etc.)	IRS	IRS - Secretary of the Treasury
Maximum Amount	\$2,000,000	\$10,000,000	50% of employee wages up to \$10K per employee <100 employees: credit for all employees >100 employees: credit for wages paid to employees who did not work	The employer portion (50%) of employer payroll taxes from March 27, 2021 - January 1, 2021 can be deferred. Does not apply to Medicare taxes.
Who Qualifies	500 employees and under Paid staff or independent contractors paid in 2020 Negatively affected by COVID-19	500 employees and under Paid staff or independent contractors paid in 2020 Negatively affected by COVID-19	Had trade or business during calendar year 2020 Fully or partially suspended operation in 2020 due to government regulation OR experience decline of gross receipts by 50% for a calendar quarter (compared to prior years quarter)	Had trade or business during calendar year 2020
Loan Amount Calculation	Submit data: SBA will decide	2.5 times average total monthly payroll costs Plus any SBA 7(b)(2) Loans (EIDL Loan)	Wages paid from March 12, 2020 - January 2, 2021 Including health plan expense	50% of delayed payments due 12/31/2021 50% of delayed payments due 12/31/2022
Use of Funds	Payroll costs Sick leave Rental costs Repaying obligations Increased costs for materials	Payroll costs Continuation of health insurance Employee salaries (under \$100K) Interest on mortgage or rent payments Utilities Interest on debt obligations incurred prior to 2/15/2020	IF YOU USE THE EMPLOYEE RETENTION CREDIT YOU CANNOT UTILIZE THE PPP LOAN	IF YOU DELAY THE PAYMENT OF EMPLOYER PAYROLL TAXES YOU CANNOT UTILIZE THE PPP LOAN
Forgiveness Amount	\$10,000 EIDL Emergency Grant Provision Applies as advance against PPP Loan forgiveness	Payroll costs Rent or interest on mortgage payments Utility payments NOTE: SBA has issued guidance that at least 75% of the forgiven amount should be for payroll cost		
Forgiveness Window	NA - \$10K is grant. If loan exceeds \$10K roll into PPP SBA 7(a) Loan	Forgivable costs incurred in the eight weeks following loan origination		

CARES Act Expanded Unemployment Benefits

Elimination of one week waiting period

Increase of \$600 weekly payment on top of state's unemployment (capped at historic earnings)

Short-time compensation program (unemployment benefits for cut hours)

Unemployment of self-employed

Unemployment compensation extended by 13 weeks

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