

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the “Act”). The purpose of the Act is to provide emergency assistance for individuals, families, and businesses affected by the 2020 coronavirus pandemic.

For further information or to book an appointment, please email us at info@EIBOffice.com

Below is a general overview, including requirements for eligibility and forgiveness.

#	Type	Salient Features
1	SBA Paycheck Protection Program (PPP)	<ol style="list-style-type: none"> Actual rate to be decided on a case to case basis up to a max of 4%. Loan amount - Up to \$ 10m. Each loan is subject to a payroll-based cap of 2.5 times historical average monthly payroll costs. Max loan term 10 years. Eligibility - Each business that was existing and paying payroll and payroll taxes on or before February 15, 2020, with no more than 500 employees (or the size standard in the number of employees that may be established by the SBA), can apply for the new PPP loans. Forgiven loan amount - Max of 8 weeks of payroll, mortgage. interest, rent, and utility costs to payroll and operating expenses P&I payments deferred for at least 6 months but not more than 1 year. The program expires on June 30, 2020. Applied through an approved SBA lender.
2	SBA Economic Injury Disaster Loans (EIDL)	<ol style="list-style-type: none"> Emergency grant of \$ 10K adjusted against PPP forgiven loan amount. Working capital loan up to \$ 2 m. Interest rate 3.75%. P&I payments deferred up to 4 years. Eligibility - between January 31, 2020, and December 31, 2020, businesses with 500 employees or less will be eligible to apply for a loan, so long as the business was in existence on January 1, 2020. Used to pay for expenses that could have been met had the disaster not happened, including payroll and other operating expenses. Online application click here.
3	Employee Retention Tax Credit	<ol style="list-style-type: none"> This tax credit is not available if the employer takes an SBA paycheck protection program (PPP) loan. The ERC is only available for wages paid after March 12, 2020, and before January 1, 2021. Quarterly refunded. Applies to wages paid from March 13, 2020, through December 31, 2020. Qualified employers – <ol style="list-style-type: none"> who carried on a trade or business during 2020, and? whose operations were fully or partially suspended due to a COVID-19-related shut-down order, or gross receipts declined by more than 50% compared to the same quarter in the prior year. The amount of the tax credit is equal to 50% of the first \$10,000 in qualified wages (including health benefits) paid to each employee, up to a maximum tax credit of \$5,000 per employee. For eligible employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act - Salient Features

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		<ol style="list-style-type: none">8. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit.9. Qualified wages do not include sick leave wages or family leave wages paid pursuant to the Families First Coronavirus Response Act (H.R. 6201).
4	Payroll Tax Delay	<ol style="list-style-type: none">1. This tax credit is not available if the employer takes an SBA paycheck protection program (PPP) loan.2. Employers can delay paying the employer-portion of social security taxes (not Medicare) through the end of 2020.3. The deferred amount is due in two installments - 50% is due before December 31, 2021, and the other 50% is due before December 31, 2022.

Who Can Apply?

Businesses – including eligible non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors described in the Small Business Act – with 500 or fewer employees may apply.

Businesses in certain industries may have more than 500 employees if they meet the SBA’s size standards for those industries.

Additional Resources

1. SBA loan programs, please visit the Small Business Administration [website](#).
2. More information about small business programs in the CARES Act and other resources for small businesses can be found on the U.S. Senate Committee on Small Business and Entrepreneurship [website](#).