

# CARES Act for Small Business

As of April 1, 2020

## FOR BUSINESS OWNERS

## BENEFITS TO EMPLOYEES (AND OWNER)

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	<p>CARES Act Expanded Unemployment Benefits</p> <p>Elimination of one week waiting period</p> <p>Increase of \$600 weekly payment on top of state's unemployment (capped at historic earnings)</p> <p>Short-time compensation program (unemployment benefits for cut hours)</p> <p>Unemployment of self-employed</p> <p>Unemployment compensation extended by 13 weeks</p>
Loan or Credit Source	SBA <a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>	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	<p><b>IF YOU USE THE EMPLOYEE RETENTION CREDIT YOU CANNOT UTILIZE THE PPP LOAN</b></p>	<p><b>IF YOU DELAY THE PAYMENT OF EMPLOYER PAYROLL TAXES YOU CANNOT UTILIZE THE PPP LOAN</b></p>	
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 the forgiveness amount should be at least 75% of 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			