

CARES Act: Cash Flow Relief

April 10, 2020

| Terms | Paycheck Protection Program (PPP) | Economic Injury Disaster Loan (EIDL) and Emergency Economic Injury Grant (EEIG) | SBA Debt Relief Program | Employee Retention Credit | Payroll Tax Deferral | Federal Pandemic Unemployment Compensation (FPUC) |
|----------------------|--|--|---|---|---|---|
| Description | SBA 7(a) loan through local lenders to cover eligible expenses such as payroll, rent, and utilities from 2/15/20-6/30/20 | Loan and emergency grant program with relaxed requirements for COVID-19 | Payment assistance on existing SBA 7(a), 504 or micro loans and those obtained before 9/27/20 | Refundable payroll tax credit | Deferral of employer share of 6.2% social security tax or half of self-employment tax | Unemployment available to both employees and self-employed individuals, who are eligible if receiving at least \$1 of state unemployment benefits |
| Maximum Available | 2.5x average monthly payroll for U.S. employees up to \$10M (cash compensation of any employee above \$100,000 must be subtracted) | <ul style="list-style-type: none"> \$150,000 for EIDL (formerly \$2M) \$10K for EEIG | All payments of principal, interest, and fees on eligible loans for 6 months | 50% of up to \$10k in wages (including health care costs) per employee, paid 3/12/20 - 12/31/20 | Applies to tax on wages paid 3/27/20-12/31/20 | Will receive an additional \$600 per week in addition to state benefits qualified for |
| Limitations | <ul style="list-style-type: none"> 500 employees or applicable SBA industry size standard (including affiliates) 500 employees per location for NAICS 72 and franchises Available through 6/30/20 | <ul style="list-style-type: none"> Currently only accepting EIDL applications from agriculture industry 500 employees or applicable SBA industry size standard Available through 12/31/20 | None | <ul style="list-style-type: none"> More than 100 employees: only wages of furloughed or reduced-hours employees eligible 100 or fewer employees: no furlough or reduced-hours limitations | None | Available through July 31, 2020 |
| SBA Guarantee | <ul style="list-style-type: none"> 100% through 12/31/20 As of 1/1/21, 85% for loans under \$150,000 and 75% for loans \$150,000 or more | SBA is lender | None | None | None | N/A |
| Rate | 1% | <ul style="list-style-type: none"> 3.75% for small businesses 2.75% for nonprofits | N/A | N/A | N/A | N/A |
| Repayment | <ul style="list-style-type: none"> 2-year maturity 6-month payment deferral Up to 100% forgiveness if staff retained/rehired and during the 8 week period, funds are used 75% for payroll and 25% for other eligible expense | <ul style="list-style-type: none"> Up to 30-year maturity 1-year payment deferral No repayment of EEIG unless later approved for PPP | None | None | <ul style="list-style-type: none"> 50% of deferred amount due 12/31/21 Remaining amount due 12/31/22 | N/A |
| Program Integration | <ul style="list-style-type: none"> If receiving PPP loan forgiveness, ineligible for Employee Retention Credit and Payroll Tax Deferral Cannot use funds for same purpose as other SBA loans Unemployment Compensation for Self-Employed Individuals: If you receive a PPP loan and use it to pay your own compensation, you likely will not qualify to receive unemployment assistance until the loan has 'run out'. | <ul style="list-style-type: none"> Cannot be used for same purpose as PPP EIDL or EEIG received after 1/31/20 and through the date of a PPP can be rolled into PPP if intended for same purpose | Does not apply to PPP loans | <ul style="list-style-type: none"> Ineligible if receiving PPP loan forgiveness But can be combined with the Tax Credit for Qualified Leave Wages under the FFCRA as long as on different wages. | <ul style="list-style-type: none"> Apply Employee Retention Credit first If receiving PPP funding, you can participate in the Payroll Tax Deferral program up until your PPP loan is forgiven. | Self employed individuals can't receive unemployment compensation during the 8 week "covered period" after receiving loan proceeds under the PPP |
| Other Terms | <ul style="list-style-type: none"> Self-employed eligible Special rules for franchises, affiliates, and seasonal employers Certain charitable tax exempt organizations eligible | None | None | <ul style="list-style-type: none"> Penalty relief for related payroll tax deposits and advanced payment procedure available Eligible employers are generally those who fully or partially suspend operations during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or experience a significant decline (50%) in gross receipts during the calendar quarter, compared to the prior year. | None | <ul style="list-style-type: none"> Washington state benefits range from \$188-\$790 per week. Self-employed individuals will receive the average Washington state Weekly Benefit Amount, TBD. At a minimum, employers that want to ensure that reduced-hour employees are able to access expanded unemployment benefits may wish to schedule these workers to not earn more than the state's WBA for any given week (thus allowing them to collect at least one dollar of unemployment, plus \$600). |
| For More Information | https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp | https://www.sba.gov/page/disaster-loan-applications | https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief | https://www.irs.gov/coronavirus/employee-retention-credit | https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020 | https://esd.wa.gov/unemployment |