

Trainers: Forgivable loans can cover your payroll for two months

Federal government's 100% forgivable loans cover eight weeks of payroll and certain expenses - if you keep all your employees

Here's how it works:

Congress' recently passed bills battle against the economic fallout amid the coronavirus public-health emergency. Many, if not most trainers, will qualify for the zero-fee, 100-percent forgivable loans offered to encourage small-business owners to keep their employees on the payroll at regular pay rate.

Who's eligible:

Your training operation should qualify as a small business, defined as 500 or fewer employees. Self-employed individuals, sole proprietorships and independent contractors also are eligible.

(Note: Freelance exercise riders should apply on their own as independent contractors. If your exercise rider receives an IRS Form 1099 to report their compensation, you're treating them as independent contractors. If they receive a Form W-2, they are considered to be employees.)

The \$350 billion Paycheck Protection Program will provide zero-fee loans that can be up to **2 1/2 times your average monthly payroll costs**, capped at what computes to \$100,000 per an employee's annual pay. The loans are designed to cover up to eight weeks of average payroll and specified other costs such as mortgage or rent. The loan will be forgiven **if you retain your employees at their regular pay rate**. The program is retroactive to Feb. 15, 2020. So you can still be eligible if you've laid off employees but you must bring them back if you plan to count their salaries.

Trainers can start applying Friday, April 3

Many banks and credit unions are participating. Trainers can apply starting April 3, 2020, while independent contractors and self-employed individuals can apply starting April 10. The deadline is June 30, 2020. Because of anticipated high demand, it's urgent that you apply early before the funding runs out. **There's a link to the application below.**

Requesting loan forgiveness: You must document payroll

The interest is 0.50% fixed rate, due in two years, with no collateral required. To request loan forgiveness with your lender, you must include **documents to verify the number of full-time employees and pay rates**, as well as the payments on eligible mortgage, lease and utility obligations.

Forgiveness will be reduced if the full-time headcount declines or if salaries or wages for employees decrease.

More information and application at the links below:

Paycheck Protection Program (PPP) application

<https://files.constantcontact.com/3ef6d5c8601/b0920b10-d355-4424-bfaa-bd-f3feb6c54e.pdf>

Information guide

<https://files.constantcontact.com/3ef6d5c8601/e9239330-0b1c-4bdb-ab75-58ef9f081229.pdf>

PPP overview

<https://files.constantcontact.com/3ef6d5c8601/023e2a8c-8089-4208-a07e-3be0228288c3.pdf>

Need help filling out the application?

Contact the Kentucky HBPA by calling the main office at 502-363-1077 or emailing kentuckyhbpa@gmail.com.