

Highlights of New Federal Stimulus Benefits for Small Businesses, Employees and Individuals – as of April 1, 2020



Business Tax Relief

- IRS has extended income tax, employer-side payroll tax, and other deadlines.
- **IRS Employee Retention Credit**
- The refundable tax credit is 50% of up to \$10,000 in wages and benefits paid per employee for wages paid after 3/12/20 and before 1/1/21. **Cannot claim this credit if taking out a Paycheck Protection Program loan.**
- **IRS FFCRA tax credit** gives dollar-for-dollar reimbursement for the cost of providing expanded paid sick and family leave wages to employees, for leaves related to COVID-19.
- **New 5 year carryback** for 2020, 2019, 2018 net operating losses. Higher limits on business interest expense deductions.



SBA Business Loans

- **Paycheck Protection Program**: 8 weeks of cash-flow assistance through forgivable SBA 7(a) loans to small employers who maintain payroll during this emergency. Program is retroactive to 2/15/20, to help bring workers who may have been already been laid off back onto payrolls. **Cannot use with Employee Retention Credit.**
- Expanded SBA **Economic Impact Disaster Loans** with a forgivable \$10,000 advance. **(One loan forgiveness per business, either: Paycheck Protection or Disaster loan).**
- For new and existing SBA 7(a), 504, micro loans, SBA will make the payments for 6 months.



Employee Benefits

- **Expanded unemployment benefits** (also covers reduced work hours and furloughs)
- Covers sole proprietors, independent contractors, and employees
- Maximum benefits period extended from 26 weeks to 39 weeks.
- Benefits available immediately (eliminates the one week delay)
- Weekly benefits increased by \$600 per week from normal levels (for up to 4 months).
- Expanded paid sick, family leave for COVID-19 (**FFCRA**)



Other Benefits for Individuals

- **Automatic stimulus payments**
- Federally-insured mortgage deferrals for up to 12 months on request, penalty free.
- 60 day automatic interest-free period for all federally subsidized student loans, and penalty-free deferrals on request.
- More broadly, ANY consumer loans deferrals, forbearances, modifications granted by lenders must be reported to Credit reporting agencies as "Current" status.
- **Penalty-free retirement plan** withdrawals of up to \$100,000