



Certified Public Accountants / Consultants

Revised Forgiveness Application for the Paycheck Protection Program and New "EZ" Forgiveness Application Form

With the passage of the Paycheck Protection Program (PPP) Flexibility Act of 2020 on June 5, the SBA on June 16 issued a revised the PPP Loan Forgiveness Application ([new form](#)) and updated the instructions ([updated instructions](#)).

Below are some highlights to the revised PPP Loan

Forgiveness Application and instructions:

- Health insurance costs for S corporation owners cannot be included when calculating payroll costs; however, retirement costs for S corporation owners are eligible payroll costs. The maximum annual payroll cost of \$100,000 per owner still applies.
- Safe harbors for excluding salary and hourly wage reductions and reductions in the number of employees (full-time equivalents) from loan forgiveness reductions can be applied as of the date the loan forgiveness application is submitted. Borrowers do not have to wait until December 31 to apply for forgiveness to use the safe harbors.
- Borrowers that received loans before June 5 can choose between using the original eight-week covered period or the new 24-week covered period.



New "EZ" Forgiveness Application and Instructions

The new [EZ application](#) is for borrowers who are eligible for 100% forgiveness of their otherwise forgivable amounts. That is, there is no reduction in forgiveness due to FTE reductions or salary/wage reductions, or a safe harbor applies that negates those reductions. The EZ application has been created for PPP borrower seeking forgiveness who can certify as to any **one of the three requirements listed in the [instructions](#)**.

Which Form to Use?

What form to use is dependent upon:

- Applied for the PPP loan as self-employed, an independent contractor, or a sole proprietor with no employees.
- Did not reduce salary or wages for any employee by more than 25% **and** did not reduce the number of hours of their employees (excepting laid-off employees who refused an offer to return).
- Did not reduce salary or wages for any employee by more than 25% during the covered period **and** experienced reductions in business activity as a result of health directives related to COVID-19.

The EZ application requires fewer calculations to be done and less documentation is needed for eligible borrowers.

The application deadline to receive a PPP loan remains June 30.

Here at MNMW we are continually monitoring the changing landscape of relief for our country during the Coronavirus crisis. As we receive updates, we will break down the details to help you make the best-informed decisions. If you have any questions, please contact us.

Be well,



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