

# The BIG Picture: CARES Act and FFCRA

## CARES Act – SBA Loans for Small Businesses



	Paycheck Protection Program, or "PPP" <small>NEW</small>	Economic Disaster Injury Loan, or "EIDL" (pre-existing)	Emergency Economic Injury Grant (EEIG)	Pandemic Unemployment Assistance (PUA) Program	Economic Impact Payments
Eligibility	SMBs with fewer than 500 employees that have been hit hard by COVID-19.	Similar to PPP through 12/31/2020.	File the EIDL application.	Unemployed self-employed workers, freelancers, independent contractors, and part-time workers not eligible for regular unemployment compensation or extended benefits that have been affected by COVID-19.	Eligible taxpayers who filed tax returns for either 2019 or 2018.
Loan Amount	2.5 times monthly payroll up to \$10 million.	Based on pandemic-related economic damages: Up to \$2 million.	An up-to-\$10,000 advance on your EIDL that the government decided you don't need to pay back.	Up to 39 weeks of unemployment benefits calculated based on previous earnings.	Tax filers with adjusted gross income up to \$75,000 for individuals and up to \$150,000 for married couples filing joint returns will receive the full payment (\$1,200).
Loan Uses	Payroll, rent / mortgage, utilities, health insurance premium payments.	Payroll + costs related to supply chain interruption due to COVID-19.	Payroll + costs related to supply chain interruption due to COVID-19.	N/A	N/A
Loan Period	8 weeks (but payments deferred 6-12 months).	Amortized 30-year term.	N/A	Benefit payments are retroactive, for weeks of unemployment, partial employment, or inability to work due to COVID-19 reasons starting on or after January 27, 2020.	Payments will be distributed in the coming weeks based on your tax return income.
Interest Rate	1%	3.75% for SMBs 2.75% for nonprofits.	N/A	N/A	N/A
Guarantee	No personal guarantee required.	Personal guarantee required for loans over \$200,000 and collateral required for loans over \$25,000. You must be able to prove that you can repay the loan.	N/A	N/A	N/A
Forgiveness	Can be Up to 100% of the loan amount.	No forgiveness.	N/A	N/A	N/A
How to Apply	Through an SBA-approved lender.	Through the SBA's online portal.	Apply for the EIDL and check the box that you would like the advance.	Apply for your state's unemployment benefits.	No action required for most people. Taxpayers who typically do not file returns will need to submit a simple tax return.

This material is not intended as an offer of coverage or "Invitation to Contract." It is for informational purposes only and is not intended to provide legal counsel. Please consult with an appropriate professional for legal and compliance advice. Any Emergency COVID-19 Paid Sick Leave, Disability Benefits Law (DBL) and/or Paid Family Leave (PFL), information is as April 7, 2020; it is based on the applicable statutes and regulation, and is based on our best understanding of the law, and may change as regulations evolve.

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	Emergency Paid Sick Leave Act (EPSLA)	Emergency Family and Medical Leave Act (FMLA)
Employers	Effective April 1, 2020, covered employers are any private employer that employs fewer than 500 employees, other than: Small businesses (those that employ less than 50 employees) when requirements would jeopardize economic viability of the employer. Public employers that employ one or more employees are covered.	Effective April 1, 2020, a covered employer is any private employer that employs fewer than 500 employees, other than: Small businesses (those that employ less than 50 employees) when requirements would jeopardize economic viability of the employer. Public employers that employ one or more employees are covered.
Employees	Covered employees are any employee of a covered employer, regardless of their length of service. However, health care workers and emergency responders employed by a covered employer may be excluded.	Covered employees are any employee who has been employed by a covered employer for 30 calendar days. However, health care workers and emergency responders employed by a covered employer may be excluded.
Amount of Leave Available	Up to 80 hours for full-time employees. Part-time employees receive a proportionally similar amount based on hours worked in a two-week period. Leave is not available beyond 12/31/2020.	Up to 12 work weeks of leave (only 10 work weeks paid). Leave is not available beyond 12/31/2020.
Reasons for Leave	<ol style="list-style-type: none"> <li>1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;</li> <li>2. has been advised by a health care provider to self-quarantine related to COVID-19;</li> <li>3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;</li> <li>4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);</li> <li>5. is caring for a child whose school or place of care is closed (or child care provider is unavailable) for reasons related to COVID-19; or</li> <li>6. is experiencing any other substantially-similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.</li> </ol>	<ol style="list-style-type: none"> <li>1. Employee is unable to work/telework due to need to care for their son or daughter under age 18 whose school/daycare has closed.</li> </ol>
Rate of Pay	<p><b>For leave reasons (1), (2), or (3):</b> employees taking leave are entitled to pay at either their regular rate or the applicable minimum wage, whichever is higher, up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).</p> <p><b>For leave reasons (4), (5), or (6):</b> employees taking leave are entitled to pay at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher, up to \$200 per day and \$2,000 in the aggregate (over a 2-week period).</p>	The first 10 days of leave can be unpaid unless an employee elects to use existing paid leave. The remaining leave time must be paid at 2/3 the employee's regular rate, capped at \$200 per day and \$10,000 in the aggregate. Pay must account for overtime if overtime is normally.
Tax Credits	Employer is entitled to a dollar-for-dollar refundable tax credit for leave benefits and health insurance premiums paid to an employee, up to \$200 or \$511 a day (depending on the reason for leave).	Employer is entitled to a dollar-for-dollar refundable tax credit for leave benefits paid to an employee, up to \$200 a day and \$10,000 in the aggregate.
How to apply	<p>Fill out a Request for Emergency Paid Sick Leave form and submit it to your HR department. Documentation supporting the need for leave must be included with this request.</p> <p>Please refer to the "Leave Request" form on the COVID site.</p>	Fill out a Request for Emergency FMLA form and submit it to your HR department.

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	Employee Retention Credit	Paid Sick Leave Tax Credit	Paid Family Leave Tax Credit
Employer	Eligible employers are those that carry on a trade or business during calendar year 2020. This also includes a tax-exempt organization, that either: Fully or partially suspends operation during any calendar quarter in 2020 due to COVID-19; or experiences a significant decline in gross receipts during the calendar quarter.	Eligible Employers that are entitled to claim the refundable tax credits are businesses and tax-exempt organizations that: have fewer than 500 employees, and are required under the FFCRA to pay “qualified sick leave wages” and/or “qualified family leave wages.”.	Eligible Employers that are entitled to claim the refundable tax credits are businesses and tax-exempt organizations that: have fewer than 500 employees, and are required under the FFCRA to pay “qualified sick leave wages” and/or “qualified family leave wages.”.
Amount	Equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. The maximum amount of qualified wages considered with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$5,000.	100 percent of up to ten days of the qualified sick leave wages.	Up to ten weeks of the qualified family leave wages (and any qualified health plan expenses allocable to those wages) that an Eligible Employer paid during a calendar quarter, plus the amount of the Eligible Employer’s share of Medicare taxes imposed on those wages.
Period	Applies to qualified wages paid after March 12, 2020, and before January 1, 2021.	Paid for leave during the period beginning April 1, 2020, and ending December 31, 2020.	Paid for leave during the period beginning April 1, 2020, and ending December 31, 2020.
How to claim	Eligible Employers will report their total qualified wages and the related credits for each calendar quarter on their federal employment tax returns form 941.	Eligible Employers will report their total qualified leave wages and the related credits for each quarter on their federal employment tax returns, usually Form 941.	Eligible Employers will report their total qualified leave wages and the related credits for each quarter on their federal employment tax returns, usually Form 941.