

U.S. CHAMBER OF COMMERCE

# The CARES Act & Return to Work



# Overview & Major Provisions for Individuals

## **\$2 Trillion Package**

- Through the Federal Reserve potential for additional \$4 trillion in support for the economy
- Referred to as the “Phase 3” Bill

## **Automatic Payments to Individual Taxpayers**

- \$1,200 per individual (\$2,400 joint return) + \$500 per child
- Phased out for incomes above \$75,000 (\$150,000 joint)

## **Expanded Unemployment**

- Most restrictions on eligibility suspended if related to COVID-19
- Additional \$600 per week on top of regular state benefit (through July 31)
- Eligibility ends when individual can return to work
- Benefits provided through State UI offices

# CARES Act Assistance Available to Small Businesses

## PPP:

- ~~\$349 Billion~~ \$310 Billion
- < 500, Self-Employed, Independent Contractors
- Loans equal to 2 ½ months payroll
- Loans can convert to grants
- Apply through banks & other lenders

## EIDL:

- \$50 Billion Loans \$10 Billion Grants
- < 500, Self-Employed, Independent Contractors
- Low interest loan
- Up to \$10 k grant
- Apply through SBA

## Employee Retention Tax Credit:

- Up to \$5 k per employee
- Employer fully or partially closed or drop of 50% in quarterly gross receipts
- Different rules for above and below 100 employees
- Ineligible if accept PPP

## Payroll Tax Deferment:

- Defer employer portion of payroll taxes
- Repay 50% 12/31/21, 50% 12/31/22
- Ineligible if accept PPP loan forgiveness

# Main Street Lending

- Federal Reserve Supported
- U.S. Businesses Less Than 10,000 Employees or \$2.5 Billion Revenue
- Loans Through Banks
- May 1 Start Likely
- Restriction on Stock Buybacks, Dividends, Executive Compensation

## What to Watch:

- Minimum Loan Amount
- Maximum Loan Amount
- Eligibility
- Restrictions

## PPP Loans to Date

- 1,667,367 Loans Approved by SBA
- Made by 4,975 Lenders
- 74% of Loans Under \$150,000
- Average Loan Amount: \$206,000

## PPP Loans Moving Forward

- At Average Loan Amount, \$310 Billion Supports 1.5 Million More Loans
- \$60 Billion Set Aside for Smaller Banks, Credit Unions, CDFIs

# Return to Work: White House

## Guidelines for all phases

- Develop and implement appropriate policies, in accordance with Federal, State, and local regulations and guidance, and informed by industry best practices, regarding:
  - ✓ Social distancing and protective equipment
  - ✓ Temperature checks
  - ✓ Sanitation
  - ✓ Use and disinfection of common and high-traffic areas
  - ✓ Business travel
- Monitor workforce for indicative symptoms. Do not allow symptomatic people to physically return to work until cleared by a medical provider.
- Develop and implement policies and procedures for workforce contact tracing following employee COVID+ test.

# White House

## Phase 1

- ENCOURAGE TELEWORK
- RETURN TO WORK IN PHASES
- Close COMMON AREAS and enforce strict SOCIAL DISTANCING
- Minimize NON-ESSENTIAL TRAVEL
- SPECIAL ACCOMMODATIONS for the VULNERABLE POPULATION

Employers

## Phase 2

- Close COMMON AREAS and enforce moderate SOCIAL DISTANCING

## Phase 3

- Resume UNRESTRICTED STAFFING of worksites

Specific Employers

- SCHOOLS AND ORGANIZED YOUTH ACTIVITIES remain closed.
- BARS should remain closed.
- LARGE VENUES can reopen with strict physical distancing protocols.
- GYMS can reopen with strict physical distancing and sanitation protocols.

- SCHOOLS AND ORGANIZED YOUTH ACTIVITIES can reopen.
- BARS can reopen with diminished occupancy.
- LARGE VENUES can operate with moderate physical distancing protocols.

- LARGE VENUES can operate under limited physical distancing.
- GYMS can operate with standard sanitation protocols.
- BARS can operate with increased standing room occupancy.

# Return to Work Issues

- Role of Employers in Testing, Tracing, Health Monitoring
- Guidance vs. Regulations
- Legal Liability
- Patchwork of Rules
- Resources, Especially for Certain Businesses