

**NCBIO is sharing the following information received from BIO that will be of interest to our members.**

### **Social Security Payments**

New IRS [guidance](#) helps small biotechs impacted by COVID-19 maintain access to short- and long-term assistance included in the CARES Act. Here's the scoop.

**The Coronavirus Aid, Relief and Economic Security (CARES) Act** allows employers to defer the deposit and payment of the employer's share of social security taxes, helping them survive this crisis and keep people employed.

**With one caveat:** Companies who have loans forgiven under the CARES Act's Paycheck Protection Program are not eligible to defer these payroll taxes.

**But it will be several weeks or months before companies know if their loans will be forgiven.** In the meantime, the payroll tax deferral would provide another helpful source of liquidity.

**However,** the CARES Act was unclear about whether future loan forgiveness would make a company retroactively ineligible for earlier payroll tax deferral.

**This uncertainty undermines the utility of the relief,** [BIO said in a letter to Treasury and the IRS](#), especially for small biotechs who need access to capital right now.

**Fortunately, Treasury and the IRS agreed.** [According to new guidance](#), small biotechs can get the payroll tax deferral until the loan is forgiven.

**Why it matters:** "The CARES Act loan and payroll tax provisions are intended to help companies keep employees on their payrolls and keep the lights on. For our small companies working on innovative therapies to help save and improve lives, access to capital is extremely important in general and even more so in this challenging time," **explains Cameron Arterton, BIO's VP of Tax Policy.** "As small businesses struggle to navigate the web of financial assistance to keep their companies afloat, ensuring companies can access this immediate source of cash is welcome relief."

[Read the full IRS guidance.](#)

### **Testing for Essential Workers**

BIO is [urging the federal government](#) to provide COVID-19 testing resources to essential workers who can't work from home, particularly those in the health care sector.

**Social distancing works.** As of April 1, 55 states and territories had some closures of non-essential business, and 28 have prohibited in-person workforces for non-essential businesses. And there are signs it's flattening the curve.

**But the most essential workers cannot work from home.** Doctors, nurses, emergency responders, grocery store workers, farmers, meat inspectors, postal workers and couriers, truck drivers—they still go to the workplace every day, putting themselves and their families at risk, so the rest of us can #stayhome.

**These people should be prioritized for testing resources.** “Increased access to COVID-19 testing for our workforce will help flatten the curve by removing people with coronavirus from the workplace and better ensure the safety and health of employees who are maintaining operations during this pandemic,” [BIO said in a multi-industry letter to Vice President Mike Pence.](#)

**Why it matters:** “We have a responsibility to ensure that they can perform their work in a safe environment, and access to testing would help us do so. We are especially concerned by reports that as many as 25% of people infected with COVID-19 may not show any symptoms but can still spread the disease,” the letter continued.

Please let us know if you have any questions.

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