

Consultants Update

COVID-19

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Discussion Topics

- Extension of Paycheck Protection Program
- Possibility of PPP-2

PPP Extension

- Application deadline for Paycheck Protection Program has been extended to Friday, August 8, 2020
- Although over 5 million loans have already been granted, as of July 31 there was still \$130 billion funds available for lending
- Loans are forgivable—you might not have to pay the funds back
- Application process is fairly simple; go to your bank or savings and loan to apply

PPP Revisions

- Recent law lowered the portion of the PPP that must be spent on payroll from 75% to 60%; the rest must be spent on rent, utilities and other business-related expenses
- Extended from 8 to 24 weeks the amount of time you can use the funds while remaining eligible for loan forgiveness
- Loan forgiveness remains possible even if former employees do not come back to work

Possibility of PPP-2

- Senate Republicans pursuing the HEALS Act, which would make another \$190 billion in funding available to employers with 300 employees or fewer whose revenue declined at least 50% as a result of COVID-19
- \$25 billion would be set aside for companies with 10 employees or fewer
- Maximum loan size would be 2.5 times average total monthly payroll costs, up to \$2 million
- Would have to use the funds the funds over 8 weeks; would broaden eligible business expenses

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