

How's the CARES Act working for your business?

Washington Retail webinar April 21, 2020

To make it easy for our readers and webinar participants to find answers to your questions, we have categorized key facts and answers under each of the three main topics covered in the webinar.

1. Paycheck Protection Program (PPP)

- a. Application documents essential to application
 - IRS Form 940 and/or Form 941 for the previous tax year
 - Form W-2 Wage and Tax Statement Employer Reference Copy, if applicable
 - Payroll summary report for 2020
 - Payroll processor records
 - Payroll tax filings IRS
 - Form 1099-MISC
 - Benefit expenses covered by the CARES Act PPP
- b. Securing PPP funding only requires you to keep the same number of employees as before. Employers have the option to not re-hire the same names on prior payroll as long as the number of employees stay the same.
- c. Initial \$349 billion has been allocated, \$310 billion more is pending in Congress
- d. 501c6 is not eligible unless Congress make this change in the next round of funding.
- e. Overload of applications make it impossible to know the status
- f. Start the counting of 8 weeks once funds are in your bank
- g. # of EE count must be the same as before
- h. Funding on approved and signed loans began last week (around April 13)
- i. Financial documents needed
- j. Employees who refuse to come back to work when work is available, unemployment benefit will cease.
- k. Paying bonus to employees under the PPP funding may not meet the forgivable criteria.
- l. Call your lender if funding becomes available

2. Economic Injury Disaster Loan (EIDL)

- a. Takes 3-5 weeks for application processing; only 20% of loans were processed as of 4/17
- b. Check status at 1.800.659.2955 but they may not have an answer either

- c. Out of funding also; \$10 billion more is pending in Congress
- d. 501c6 organizations that do NOT lobby is eligible to apply for EIDL
- e. Forgiven amount (grant) is \$1,000 per employee in the business
- f. SBA processing with no bank involvement

3. Unemployment Insurance and Pandemic Unemployment Assistance

- a. Available to self-employed and independent contractors but you may receive an initial denial.
- b. Increases weekly benefit by \$500 above the state determined amount
- c. Extends the benefit period
- d. If your employees are being paid for the week, they have to report it to the agency (ESD). If they don't report it, they could be hit with fraud. We can go back and correct the previous weeks' errors.
- e. The system asks if the claimant has been paid for the week, so they have an opportunity, when they file their claims, to answer honestly.
- f. If you (employers) are paying part of the wages, they (employees) may still qualify for some unemployment benefits.
- g. Any cash out of monies owed the employee (PTO accrued and paid that is not related to actual leave within the unemployment claim week) is not reportable to the ESD. If the claimant is sick a day and you pay him/her for that day, that is reportable.
- h. The employer is not held responsible (for employees' incorrect reporting). The employee/claimant is responsible for reporting wages/earnings and hours. We inform the claimant on several occasions to report earnings.
- i. For partial employment, the claimant must be eligible for at least \$1.00 of unemployment if they are to receive their \$600 stimulus check.
- j. Net earnings as shown on a single member LLC owner's schedule C is the basis of eligibility for unemployment under the PUA (Pandemic Unemployment Assistance).