Legislative Update What We Know Now

June 8, 2020

Bi-weekly or Weekly Payroll

 Covered Period – Begins with the first day of disbursement

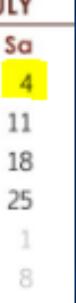
 Alternative Payroll Covered Period – Begins with the first day of the payroll cycle following the date of disbursement

> *only available to businesses with a biweekly or weekly payroll

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Payroll Costs paid and payroll costs incurred during alternate covered payroll period – Bi-weekly payroll

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					M	AY		JUNE																	
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24	25	26	27	28	28	30	28	29	30		2	3	4	26	27	28	29	30							
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6							

Payrolls paid – 5/15, 5/29, 6/12, 6/26 Payroll incurred but not paid - 7/10

*Payroll costs incurred, but not paid, during the borrower's last pay period of the eight-week period are eligible for forgiveness only if they're paid on or before the next regular pay period.

All of these payrolls are eligible for forgiveness





 Covered Period – Begins with the first day of disbursement

Eligible Payrolls Payrolls paid during the covered period 5/15, 5/30, 6/15, 6/30

Payrolls with incurred days but not paid within the covered period 7/15

Semi-Monthly Payroll

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Su	Мо	Τu	We	Th	Fr	Sa	Su	Мо	Τu	We	Th	Fr	Sa	
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17	18	19	20	21	22	23	21	22	23	24	25	26	27	
24	25	26	27	28	29	30	28	29	30	1	2	3	4	
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3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	18	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	38	1	2	3	4	26	27	28	29	30	31	
31	1	2	3	4	5	6	5		-											





Payroll Costs paid and payroll costs incurred

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Su	Мо	Τu	We	Th	Fr	Sa	Su	Мо	Τu	We	Th	Fr	Sa	Su	Мо	Τu	We	Th	Fr	S
26	27	28	29		1	2	31	1	2	3	4	5	6	28			1	2	3	
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	
10	11	12	13	14	25	16	14	15	16	17	18	19	20	12	13	14	15	16	17	1
17	18	19	20	21	22	23	21	22	23	24	25	28	27	19	20	21	22	23	24	2
24	25	26	27	28	28	30	28	29	30		2	3	4	26	27	28	29	30	31	
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6	7	

Payrolls paid but not incurred – 5/15 Payrolls paid and incurred - 5/29, 6/12, 6/26 Payroll incurred but not paid - 7/10

*Payroll costs incurred, but not paid, during the borrower's last pay period of the eight-week period are eligible for forgiveness only if they're paid on or before the next regular pay period.

All of these payrolls are eligible for forgiveness



Extension of Covered Period

Covered period is extended to 24 weeks from the date of disbursement or 12/31/2020

* How does this affect the capped compensation? H.R. 7010 does not make this clear

*Existing borrowers are able to elect to keep the current 8 week covered period



Payroll Percent Threshold decreases 60% eligible payroll expenses 40% eligible non-payroll expenses *H.R. 7010 – if a borrower fails to spend 60% of the loan on payroll costs, NONE of the loan will be forgiven *What qualifies as a forgivable expense has not changed







New Safe Harbor date – 12/31/2020

H.R. 7010 provides additional potential exemptions for the FTE reduction in forgiveness if the borrower is not able to rehire employees or hire replacement employees or cannot return to normal business activities because of health and safety restrictions.



forgiveness amount from the SBA

Deferred payment and interest until the date the lender receives the



PPP Flexibility Act of 2020

H.R. 7010

Borrowers with loans originating after the Act is law will have 5 years to pay

Lenders and borrowers are free to renegotiate the terms of any existing PPP loan to match the 5 year payback period



PPP Flexibility Act of 2020

PPP borrowers will now be able to take full advantage of the payroll tax deferral provided for in the CARES Act without being required to stop deferring the payment of those taxes even when their PPP loan is forgiven.

H.R. 7010



Please submit questions through the Q&A function, *not* the chat option at the bottom of your screen.

We are answering your questions live on the air right now.



Questions?

Please email:

<u>questions@dominionpayroll.com</u>

For resources, updates, webinar schedule, and FAQ's, please visit our <u>COVID-19 Updates & Resources page</u>





As requirements change and laws are passed, we will update you as soon as possible.

Don't forget to wash your hands!

