

# Legislative Update

*What We Know Now*

June 8, 2020

# Bi-weekly or Weekly Payroll

- **Covered Period** – Begins with the first day of disbursement

MAY							JUNE						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
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
31	1	2	3	4	5	6	5	6	7	8	9	10	11

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

MAY							JUNE							JULY						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6	28	29	30	1	2	3	4
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	15	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	30	1	2	3	4	26	27	28	29	30	31	1
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6	7	8

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



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

MAY							JUNE							JULY						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6	28	29	30	1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	<del>12</del>	13	5	6	7	8	9	<del>10</del>	11
<b>10</b>	11	12	13	14	<del>15</del>	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	<del>26</del>	27	19	20	21	22	23	24	25
24	25	26	27	28	<del>29</del>	30	28	29	30	1	2	3	4	26	27	28	29	30	31	1
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6	7	8

Payrolls paid – 5/15, 5/29, 6/12, 6/26

Payroll incurred but not paid - 7/10

**All of these payrolls are eligible for forgiveness**

\*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.



# Semi-Monthly Payroll

- **Covered Period** – Begins with the first day of disbursement

MAY							JUNE						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	<del>15</del>	16	14	15	16	17	18	19	20
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
31	1	2	3	4	5	6	5	6	7	8	9	10	11

## 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

MAY							JUNE							JULY						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6	28	29	30	1	2	3	4
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	<del>15</del>	16	14	<del>15</del>	16	17	18	19	20	12	13	14	<del>15</del>	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	<del>29</del>	30	28	29	<del>30</del>	1	2	3	4	26	27	28	29	30	31	1
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6	7	8



# Payroll Costs paid and payroll costs incurred

MAY							JUNE							JULY						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	1	2	31	1	2	3	4	5	6	28	29	30	1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	<del>12</del>	13	5	6	7	8	9	<del>10</del>	11
<b>10</b>	11	12	13	14	<del>15</del>	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	<del>26</del>	27	19	20	21	22	23	24	25
24	25	26	27	28	<del>29</del>	30	28	29	30	1	2	3	4	26	27	28	29	30	31	1
31	1	2	3	4	5	6	5	6	7	8	9	10	11	2	3	4	5	6	7	8

Payrolls paid but not incurred – 5/15

Payrolls paid and incurred - 5/29, 6/12, 6/26

Payroll incurred but not paid - 7/10

**All of these payrolls are eligible for forgiveness**

\*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.



# PPP Flexibility Act of 2020

## H.R. 7010

### 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



# PPP Flexibility Act of 2020

## H.R. 7010

### 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



# PPP Flexibility Act of 2020

## H.R. 7010

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.





# PPP Flexibility Act of 2020

## H.R. 7010

Deferred payment and interest until the date the lender receives the forgiveness amount from the SBA



# 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

## H.R. 7010

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.



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

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



# Questions?

Please email:

[questions@dominionpayroll.com](mailto:questions@dominionpayroll.com)

For resources, updates, webinar schedule, and FAQ's, please visit our

[COVID-19 Updates & Resources page](#)



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

*Don't forget to wash your hands!*

