

Business Options in Reponse to COVID-19 Economic Disruption						
* Certain larger employers qualify as "small business concerns" in certain industries. In general, such businesses will be deemed in the same category as employers with under 500 employees. For purposes of PPP Loans, individual locations of franchises, restaurant and hospitality chains will be considered separate employers.						
Program	Employer 500+	Employer Under 500*	Self-Employed- Paying Wages or ICs	Self-Employed LLC Gig Worker	Nonprofit	Limitations
Economic Impact Disaster Loans (EIDL) Emergency Grant Advance: In response to an application for an EIDL, the borrower may request an emergency advance and the SBA shall make such advance within 3 days. Can be used for any allowable EIDL purpose. The advance does not need to be repaid. Application via SBA website.	x	x	x	x	x	\$10,000 per borrower
EIDL Disaster Loan: The entire nation is deemed a qualifying area ("disaster area") for purposes of EIDL. Sole proprietors and independent contractors (not ordinarily eligible) are made eligible. Certain prerequisites are waived during the covered period. Repayment of all SBA loans deferred for 6 months. Application via SBA website.	x	x	x	x	x	\$2M per borrower
Paycheck Protection Plan (PPP) Forgivable Loan: Eligible borrowers can receive qualifying loan amounts that can be used to pay operating expenses and are intended to cover 8 weeks of operations. If payroll is retained to the end of the 8-week period, the amounts used for payroll costs (including benefits), mortgage interest, rent and utilities will be forgiven and repaid by the government. If payroll is reduced by more than 25 percent for an employee, the forgiveness is reduced. Forgivable payroll costs are capped at \$100,000 annualized per employee. There is an incentive to re-hire laid off employees without penalty. Application is to qualifying lenders.	x	x	x	x	x	Lesser of 2.5x average monthly payroll or \$10M
Payroll Tax Deferral: Eligible employers can defer payment of payroll taxes due in 2020. Such payments become due 1/2 in 2021 and 1/2 in 2022.	x	x	x	x	x	No dollar limit, but recipients of forgiven PPP loans not eligible
Payroll Tax Credit for Emergency Paid Sick Leave & Public Health Emergency (Paid) Leave: Smaller employers who are obligated to provide paid sick leave and/or paid extended family leave under the Families First Coronavirus Response Act are eligible for a payroll tax credit for 100% of the amounts paid thereunder. The CARES Act provides for advance refunding of such credits.	x	x	x	x	x	\$5,110 per directly affected employee (sick leave); \$2,000 per indirectly affected employee (sick leave); \$10,000 per employee (family leave)
Employment Retention Tax Credit: Certain employers who maintain payroll during 2020 will be eligible for a tax credit equal to 50 percent of the qualified wages of each retained employee up to maximum of \$10,000 per employee per quarter. Employers must have faced closure due to the outbreak or suffered loss of more than 50 percent of gross receipts due to economic disruption.	x	x	x	x	x	\$10,000 per employee
Enhanced Unemployment Benefits for Employees Laid Off or Furloughed: Workers who lose income will be immediately eligible for unemployment compensation without a waiting period. Independent contractors/gig workers will be eligible despite usual exclusions. During the covered period, an additional benefit of \$600/week will be provided. Employer accounts will not be charged during the covered period.	x	x	x	x	x	Dependent on state law
Short-term Compensation Plan to "Share" Employment Cost with State Unemployment Insurance: Many states permit "short-term compensation" or "work-share" programs under IRC Section 3306(v), in which workers with reduced hours and income (between 10% and 60%) can obtain an unemployment benefit to make up some or all of the lost pay. The CARES Act permits expansion of such programs and coverage of independent contractors/gig workers. The program is not for seasonal or intermittent workers, but only for regular workers with reduced income.	x	x	x	x	x	Dependent on state law
Revised Tax Provisions to Permit Flexibility in Recognition of Economic Shift: Businesses will be allowed to take advantage of certain tax provisions that recognize the changes in the economic landscape and permit greater liquidity during the crisis, including modifications for net operating losses, increased ability to deduct business interest and other changes.	x	x	x	x	x	Varies
Section 139 Qualified Disaster Relief Payments: The presidential disaster declarations permit all U.S. employers to make tax-free payments to employees to address the economic impact of the outbreak without running afoul of usual tax limitations. To the extent that such payments qualify, they will not be taxed as compensation to the employee but are deductible expenses to the employer.	x	x	x	x	x	Limited to demonstrable economic impact
Health Insurance Changes for COVID Testing, Diagnosis, Prevention: Many services will be covered without co-pay or deductible requirements and such provisions are enhanced in the CARES Act. New provisions for coverage of a COVID-19 vaccine (once developed) without co-pay or deductible. Coverage for telehealth services under health savings accounts (HSAs). Expanded coverage for certain over-the-counter products under HSAs.	x	x	x	x	x	Varies
Ability to Withdraw from Retirement Accounts Without Penalty: Ordinarily distributions from a qualified retirement account are subject to penalty if withdrawn prior to age 59-1/2 without an exemption. Withdrawals up to \$100,000 for COVID-19 purposes will be allowed in 2020 without penalty. Withdrawal will be allowed even if the plan does not currently permit hardship distributions.	x	x	x	x	x	\$100,000 in 2020
Expanded Ability to Obtain Loans from Retirement Accounts: Loans from qualified retirement accounts will be permitted up to \$100,000 (from the usual \$50,000). Loans will be permitted even if the plan does not currently allow loans.	x	x	x	x	x	\$100,000 in 2020
Education Benefit Expanded to Include Student Loan Employer Payment: Employers can provide educational benefits to employees on a tax-advantaged basis, but payments assisting with student loan repayment have been taxable as compensation. During the covered period, employers may make payments assisting with student loan debt and include same within tax-free educational benefits.	x	x	x	x	x	\$5,250 per year per employee (within the total amount of educational assistance provided)
Flexibility to Declare Bankruptcy Under Streamlined Subchapter V: "Subchapter V" re-organization is faster and less expensive than a traditional Chapter 11 bankruptcy re-organization. The CARES Act expands eligibility to include businesses with debts up to \$7.5 million. Payments related to COVID-19 relief are also excluded from certain bankruptcy determinations.	x	x	x	x	x	Debtors with up to \$7.5M of business-related debt