

# CARES ACT

## Economic Aid For Businesses



100 Church Street, New York NY 10007

For More Information Contact Us At

(212) 920-1184

[www.YourBusinessFinances.com](http://www.YourBusinessFinances.com)

### *How Can It Help You?*

### Understand The Details

	Who is Eligible?	What does this do?	What else should you know?
<b>FICA Deferral</b>	Employers that are not participating in the Paycheck Protection Program (PPP)	Employers can defer 100% of employer Social Security tax for amounts due 3/27/2020 through 12/31/2020	50% of deferred amount is due December 31, 2021  The other 50% of deferred amount is due December 31, 2022
<b>Employee Retention Credit</b>	Employers that are not participating in the Paycheck Protection Program (PPP)  - and -  Have 100 employees or fewer  - or -  Have 100 employees or more and have furloughed employees whose wages are continued for business closure due to COVID-19*	All employers are eligible for a credit up to \$5,000 representing 50% of the first \$10,000 of wages paid this year  Employers may take this credit against their current employment tax liability	Credits limited to the total employer social security liability for the quarter, but reduced by the FFCRA credits taken against those same taxes  Limits also apply to Qualified R&D credits and WOTC credit for employment of qualified veterans
<b>Paycheck Protection Program (PPP) Loans</b>	Employers that have 500 or fewer employees (full and part-time)  - includes -  For-profit or non-profit  Sole proprietorships  Independent contractors, self-employed/gig workers  -required -  Businesses must keep their employees and pay them at least 75% of their prior-year compensation	PPP loans can be as large as 250% of a business's average monthly payroll costs over the last 12 months, not to exceed \$10 million  Salaries over \$100,000 are not counted as payroll costs	Principal amounts for the first 8-week period from when the loan is made, may be forgiven  Loan amount that may be forgiven cannot exceed the principal amount of the loan  For principal amounts that exist after any loan forgiveness under the PPP, may defer payment of remaining principal, interest, and fee balances for at least 6 months and not more than a year, essentially allowing a substantial portion of the loan to be forgiven with remaining balances deferred for up to 6 months

\*Credit for furloughed employees only