

U.S. CHAMBER OF COMMERCE

# The Federal CARES Act National Return to Work Plan



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# The Federal CARES Act

MAJOR PROVISIONS | IMPLEMENTATION | RESOURCES



# Major Provisions for Employers

## All Employers

- Employee Retention Credit

## Small Businesses, Self-Employed, Independent Contractors, & Non-Profits

- Paycheck Protection Program
- SBA Economic Injury Disaster Loans (EIDL)

# All Employers

## Employee Retention Credit

- Employers fully or partially shutdown or with 50% drop in gross receipts in a quarter compared to prior year (until return to 80%)
- Refundable tax credit for 50% of the wages (including employers health plan expenses) paid by the employer up to \$10,000 per employee
- Employers with more than 100 employees applies to employees not providing services
- Employers with 100 or less employees applies to all employees paid during the eligible period
- Employers are not eligible if they receive a Paycheck Protection Program loan
- Allows for advance payment of the credit

# Small Businesses, Self-Employed, ICs, Non-Profits

## Paycheck Protection Program

- \$349 Billion in loans for small business (generally less than 500 employees), 501(c)(3)s, self-employed, sole proprietors, and independent contractors
- Loans equal to the lesser of 2 ½ months of average payroll or \$10 million
- Loans by local and national lenders
- Minimal requirements (e.g. no collateral, no personal guarantee)
- Loans convert to grants equal to amount spent on payroll, rent, interest on mortgage, and utilities for the 8 weeks after origination
- Loan forgiveness is reduced proportionally if the employer reduces number of FTEs
- Loan forgiveness is reduced if employer reduces wages by more than 25%
- Employer can avoid reduction in forgiveness if they bring back employees and restore wages generally within 30 days and maintain through June 30

## PPP Loans as of Last Friday

- 1,667,367 Loans Approved by SBA
- Made by 4,975 Lenders
- 74% of Loans Under \$150,000
- Average Loan Amount: \$206,000

## PPP Loans Moving Forward

- At Average Loan Amount, \$310 Billion Supports 1.5 Million More Loans
- \$60 Billion Set Aside for Smaller Banks, Credit Unions, CDFIs
- Other: \$60 Billion for EIDL; \$75 Billion for hospitals; \$25 Billion for testing

# Learn More About the Paycheck Protection Program

Download our guide:

[www.uschamber.com/sbloans](http://www.uschamber.com/sbloans)

Prepared by the U.S. CHAMBER OF COMMERCE

## CORONAVIRUS EMERGENCY LOANS Small Business Guide and Checklist



The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

The administration soon will release more details including the list of lenders offering loans under the program. In the meantime, the U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals prepare to file for a loan.

Here are the questions you may be asking—  
and what you need to know.

# Small Businesses, Self-Employed, ICs, Non-Profits

## SBA Economic Injury Disaster Loans

- Small businesses and non-profits (including faith-based) with fewer than 500 employees, sole proprietors, independent contractors
- Up to \$2 million working capital loan up to 30-year term; 3.75% (2.75% non-profits)
- Payments deferred up to 1 year
- Loans based on credit scores; no tax returns required
- Up to \$200,000 without a personal guarantee
- No collateral for \$25,000 or less; general security interest instead of real-estate for larger loans
- \$10,000 emergency grant within 3 days that does not have to be repaid
- Interacts with Paycheck Protection Program
- Apply through [SBA.gov](https://www.sba.gov)



## Paid Sick Leave – From Phase 2 Bill

- Employers with less than 500 employees are required to provide 10 days of paid sick leave, if leave is related to COVID-19
- Sick leave can be taken when ill, quarantined due to exposure, to take care of a sick or quarantined family member, or to take care of a child during a school closure
- Leave is paid at regular rate with a maximum of \$511 per day if taking care of self; paid at 2/3 rate with a maximum of \$200 per day if caring for family member
- Payment up to the maximum is reimbursed by the federal government
- Leave is in addition to any other leave an employer already provides
- Businesses with less than 50 employees may be exempt from providing leave related to caring for a child whose school or daycare is closed if providing leave threatens the viability of the business
- Paid sick leave is not available if an employee can telework

## Paid FMLA Leave – From Phase 2 Bill

- Employers with less than 500 employees are required to provide up to 10 weeks of paid FMLA leave if an employee needs to take care of a child due to a school or child care closure caused by COVID-19
- Leave is paid at 2/3 regular pay at a maximum of \$200 per day and \$10,000 in the aggregate
- Paid FMLA is in addition to any leave an employer provides
- Payments for FMLA leave will be reimbursed by the federal government up to the maximum
- Businesses with less than 50 employees may be exempt from providing leave related to caring for a child whose school or daycare is closed if providing leave threatens the viability of the business
- Paid leave is not available if an employee can telework

## Get More Information

- [www.uschamber.com](http://www.uschamber.com)
- Small Business Resources: [www.uschamber.com/co](http://www.uschamber.com/co)
- PPP Guide: [www.uschamber.com/sbloans](http://www.uschamber.com/sbloans)

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# National Return to Work Plan

PLANNING | IMPLEMENTATION | SUPPORT



# What is Needed to Return?

- Essential Services and Resources
- Regulation of Regulator and Legal Liability Issues
- Support for Businesses and Individuals

# Essential Services and Resources

- General Health Screening
- Covid-19 Testing
- PPE - Personal Protective Equipment
- Transportation
- Childcare

# Resolution of Regulation and Legal Liability Issues

- Health Privacy
- Discrimination Claims
- Safe Workplace Resources
- Support of Independent Contractors
- Employment Practices
- Exposure Liability, Product Liability, Medical Liability
- Customer Communications
- False Claims Act

# Support for Businesses and Individuals

- Businesses Dependent on High-Density Gatherings or Travel
- Individuals Delayed in Returning to Work
- Businesses Operating Optimally Remotely



# Considerations for Phased Reopening

- Necessary Essential Services
- Anticipated Additional Resources
- Guidance from Federal Government - Specific Regulatory Guidance
- Additional Legal Liability Issues
- Additional Financial Support

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Please provide feedback and questions  
to us at [returntowork@uschamber.com](mailto:returntowork@uschamber.com).

