

The CARES Act Stimulus Package

The CARES Act, is a \$2 trillion stimulus package to relieve the economic consequences caused by the COVID-19 pandemic. The stimulus package provides aid to workers, small businesses, corporations, and health care providers that have been affected by the virus.

Small Business Aid

- \$377 billion available to small businesses to help with payroll.
- Companies with 500 or fewer employees can access up to 8 weeks of cash-flow assistance. Zero-fee loans of up to \$10M.

SBA Debt Relief for Small Businesses

- Federal agencies are required to extend performance periods for small businesses and independent contractors.
- Provides immediate relief for small businesses with existing SBA loans.
 - The SBA is required to immediately pay the principal, interest and fees on existing SBA loans for 6 months.

Deferred Payroll Taxes

- Businesses can defer payment of their 2020 payroll taxes until 2021 and 2022.
- Businesses can carry back losses from 2018, 2019, and 2020 to the previous 5 years, allowing access to immediate tax refunds.

Paycheck Protection Program

- Program is for small employers, self-employed individuals, and "gig economy" workers.
- Provides 8 weeks of cash-flow assistance on 100% federally guaranteed loans to small employers.
 - If employers maintain their payroll, the loans would largely be forgiven.
 - Retroactive to February 15th, 2020 to incentivize bringing laid-off employees back.
- Employers that have faced closure or suffered economic hardship due to the pandemic that continue to pay employees that are furloughed may be eligible for a 50% credit on up to \$10,000 of wages paid to those employees.

Federally Guaranteed Loans

- Companies with 500 or fewer employees, that maintain their payroll, are eligible for loan forgiveness on the portions of the loan used for payroll, mortgage interest, rent, and utilities.
- Available immediately through more than 800 existing SBA-certified lenders; including banks, credit unions, and other financial institutions.
 - Loan size will equal 250% of an employer's average monthly payroll.
 - Maximum loan of \$10 million.

THE CARES ACT:
CORONAVIRUS AID, RELIEF, & ECONOMIC SECURITY

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Direct Payments

- For workers with incomes up to \$75,000, lawmakers have agreed to provide:
 - \$1,200 in direct payments to individuals
 - \$2,400 to married couples
 - Additional \$500 per child to families
- *Direct payments phase out for workers with salaries over \$75,000, and end for those earning more than \$99,000.*
- *Direct payments for married couples phase out at a combined income of \$150,000.*
- *The payment will be disbursed through a tax rebate check.*

Retirement Accounts

- Rules have been loosened on retirement accounts.
- Older Americans that are subject to mandatory minimum distributions are not forced to draw cash out.
- The 10% penalty is waived on coronavirus-related early distributions from 401(K)s and IRAs.
 - This applies to all distributions made at any time during 2020.

Unemployment Benefits

- \$600 per week will be added to normal state benefits for up to four months
 - Up to 39 weeks of regular unemployment insurance through the end of 2020.
 - Coverage will be effective as of January 27th.
- Unemployment benefits will include gig economy workers, including workers classified as independent contractors.
 - Independent contractors need to file for the economic support using their IRS Form 1099.

State & Local Governments

- States and local governments will receive \$150 billion, with \$8 billion set aside for tribal governments and \$3 billion set aside for U.S. territories and the District of Columbia.

Healthcare and Social Services

- Over \$140 billion will be set aside for healthcare and research appropriations, with \$100 billion of that going directly to hospitals.