



To our clients, associates, friends and family –

In these unprecedented times, whether you are managing your business or your own checkbook, you need to know what resources are available to assist you in achieving your goals. For many, those goals have shifted dramatically in the past month – transforming from aspirations to desperation.

- ❖ *How can my business pay its bills while it is forced to shut its doors or cease major lines of its operations?*

- ❖ *How can I, as a business owner, keep up on my own bills when that major source of cash flow is disrupted?*

- ❖ *How can I retain and support my employees in our shared time of need, especially those who may fall ill or require family-related leave?*

- ❖ *Perhaps you are that wage earner that has been laid off or who has needed to step aside to care for a child who no longer has access to day-time care.*

These anxious circumstances are quickly becoming the norm, and they are precisely what recently passed legislation and programs are trying to answer.

At MMNT, we are also small business owners, employees, employers, spouses, parents, concerned citizens and neighbors. We are on this journey together, and as your trusted business advisor we are working hard through this crisis to help find the answers to your questions and to provide you with the opportunities and resources that are being made available to you.

We are honored that you turn to us for guidance, and our hope is that together we will transform that desperation back to aspirations – one phone call, one application, one filing at a time.

Below is a quick synopsis of the information that is available. Please feel free to contact our office to obtain additional information, resources or links to specific programs and applications.

Wishing you the best during these times,

MMNT, LLC



Quick Synopsis

Small Business - Programs and tax reliefs that have been made available to small businesses, including certain self-employed individuals and non-profit organizations.

- ❖ *Paycheck protection program (PPP)*
- ❖ *Emergency Economic Injury Grants and SBA Economic Injury Disaster Loans (EIDLs)*
- ❖ *The SBA's Small Business Debt Relief Program*
- ❖ *Family Medical Leave was expanded with the Families First Coronavirus Response Act.*
- ❖ *Refundable payroll tax credit*
- ❖ *Deferring the remittance of the employer portion of payroll taxes through the end of 2020*

Individual Taxpayers - Programs and tax reliefs available to individual taxpayers

- ❖ *Unemployment changes under the CARES act*
- ❖ *Expanded Family Medical Leave under the Families First Coronavirus Response Act*
- ❖ *Economic Impact Payments*
- ❖ *Retirement plan provisions*

Detailed information

SMALL BUSINESSES / SELF-EMPLOYEED AND NON-PROFIT ORGANIZATIONS

Programs and tax reliefs that have been made available to small businesses, including certain self-employed individuals and non-profit organizations.

- **Paycheck protection program (PPP)** has been established with the intent of providing capital to cover the cost of retaining employees. This program provides loans to qualifying small businesses.
 - The maximum loan funding is calculated based on 250% of the average monthly payroll costs of the business as measured within a certain time period subject to individual employee caps at \$100k annualized.
 - **Up to 100% of the loan is forgivable**, as figured based on the ratio of funds used for covered payroll costs versus other covered costs for the 8-week period after the loan is made and subject to certain stipulations regarding the retention/rehire of employees. Covered costs include specified payroll costs, certain costs for continuation of employee benefits, interest payments on mortgage, rent, and utilities.
 - To qualify for full loan forgiveness, it is anticipated that an employer will need to utilize at least 75% of the funds for covered payroll costs.
 - Any loan amount not forgiven is subject to repayment terms of 2 years and 0.50% interest rate. Loan payments are deferred for 6 months.
 - **The program is open through June 30, 2020, but it is subject to funding limits so early application is advised.** It is also advisable to consider using an existing commercial banking relationship, if possible, as it may expedite the processing of applications.

Resources:



Program
Overview.pdf



Program Fact
Sheet.pdf



Program
Application.pdf



Emergency Loans
Guide.pdf

- **Emergency Economic Injury Grants** of \$10,000 serve the purpose of a quick cash advance that **does not need to be repaid** and can be used to fund business costs like those covered by the PPP above. These grants are available to those that apply for an **SBA Economic Injury Disaster Loans (EIDLs)** and then request the advance, which is targeted to be funded **within three days of its request**. The maximum loan terms under this program is \$2m over 30 years at 3.75%.
 - These loans and grants are available to sole proprietorships (with or without employees) and independent contractors with fewer than 500 employees, as well as certain other businesses and private non-profits.
 - **Caution: Be aware of the interaction of this provision's loan and its related grant with the loan under the PPP provision above. The funding purposes for the two are similar, so consider the possible conflict when certifying economic need. A business can roll an existing loan under this provision into a PPP, however any grant received would be "re-paid" through reduction of the forgivable amount under the PPP.**

Resources:

[Loan Application - Web Portal](#)



Small Business
Owner's Guide to C

- **The SBA's Small Business Debt Relief Program** will provide immediate relief to small businesses with non-disaster SBA loans. Under this program, the SBA will cover all payments on eligible SBA loans for six months.
 - Eligible SBA loans will also include loans taken out within six months after the enactment of the CARES Act on 3/27/2020.

Resources:



Small Business
Owner's Guide to C

- **Family Medical Leave was expanded with the Families First Coronavirus Response Act.** This expansion impacts companies with fewer than 500 employees and requires leave payments to employees. The employer's payments then generate dollar-for-dollar tax credits that can be used to offset its Federal payroll tax obligations, with any excess credit being refundable.
 - Employees unable to work because they are quarantined, and/or experiencing COVID-19 symptoms, and seeking a medical diagnosis will receive up to 2 weeks of leave pay at 100% of the employees' rate of pay (up to a max of \$511/day and \$5,110 total, to each employee).
 - Employees unable to work or tele-work due to caring for a child because school or day-care is closed or caring for someone with COVID-19 will receive up to 12 weeks of leave pay at 2/3 of the employee's rate of pay (up to a max of \$200/day and \$2,000 total, to each employee).
 - Eligible employers will also be entitled to a tax credit for costs to maintain health insurance for the employee during the leave.
 - Equivalent credits are available to self-employed individuals under similar circumstances.

Resources:

[IRS Press Release](#)

[Journal of Accountancy: Coronavirus relief bill contains tax credits for employers](#)



FMLA Families First
Program Flyer.pdf

- **A refundable payroll tax credit** is available for 50% of the first \$10,000 of wages and health benefits paid by eligible employers to eligible employees.
 - Eligible employers are those whose operations are fully or partially suspended due to government orders limiting commerce, travel or group meetings or employers who have experienced a 50% reduction in quarterly receipts year-over-year.
 - Eligible employees are those who are furloughed or face reduced hours as a result of the closure or hardship.
 - **If your business has 100 or fewer employees, all employee wages are eligible. This credit is not available for employers that take advantage of the PPP loan above. Wages considered for the credit under the expanded family medical leave above cannot also be considered here.**

Resources:



Small Business
Owner's Guide to C

- Employers may be able to defer the remittance of the employer portion of payroll taxes through the end of 2020 with the deferred amount being payable in equal installments at the end of 2021 and 2022. Likewise, self-employed individuals may be able to defer 50% of their 2020 self-employment tax liability.
 - **This deferral is not available for those that take advantage of the PPP loan above.**

Resources:



Small Business
Owner's Guide to C



INDIVIDUAL TAXPAYERS

Programs and tax reliefs available to individual taxpayers

- **Unemployment changes under the CARES act:**
 - From 3/27/2020 through 7/31/2020, the Federal government will fund an additional \$600 to an individual's baseline weekly unemployment benefits as determined and funded by your State.
 - Further, the Federal government will fully reimburse states for the benefits paid out in week 1, to encourage states to waive any existing waiting period, and it will fully fund an additional 13 weeks of unemployment benefits after an individual exhausts his or her states' normal unemployment benefit period.
 - For those that do not qualify for their state's unemployment benefits or have exhausted their benefits, Pandemic Unemployment Assistance may be available for those who are eligible.
 - **Eligible individuals include self-employed workers**, independent contractors, freelancers, workers seeking part-time work, and workers who do not have enough work history to qualify.
 - The program will run from retroactively between 1/27/2020 through 12/31/2020 for a maximum benefit of 39 weeks. The minimum benefits will be calculated at a rate of one-half of the average state unemployment benefits.

Resources:

[NELP Fact Sheet](#)

- **Expanded Family Medical Leave under the Families First Coronavirus Response Act** (see above)
- **Economic Impact Payments** (stimulus payments made directly to individuals) quick facts:
 - Eligibility: Single filers up to \$1,200; Married filers up to \$2,400; plus \$500 per qualifying child.
Note: To qualify, taxpayer must not be claimed as a dependent.
 - Single filers with adjusted gross income of \$75,000 or less, receive full payment. For every \$100 of income earned above \$75,000, the payment received is reduced \$5. Therefore, assuming no qualifying child, the payment eligibility completely phases out at \$99,000.
 - Married filers with adjusted gross income of \$150,000 or less, receive full payment. For every \$100 of income earned above \$150,000, the payment received is reduced \$5. Therefore, assuming no qualifying child, the payment eligibility completely phases out at \$198,000.
 - Timing of payments: Begin within the next three weeks (as of 3/31/2020)

- Tentative calculation/eligibility basis: 2019 tax return data, if filed, or 2018 tax return data. For those who typically are not required to file returns, the IRS will develop a simple tax return that can be filed to add those individuals to their records.
- True-up of payment received: While the initial payments will be calculated and remitted based on data the IRS has on hand from tax years 2019 or 2018, it is expected to be trued up based on taxpayers' actual 2020 income and tax filing statuses. Therefore, when taxpayers file their 2020 tax returns in early 2021, there may be an additional balance due or refund depending on any changes in underlying facts that impact eligibility.
- Payment method: The payments will be directly deposited to the bank account the IRS has on record for the respective year used as its basis, if available. If not on file, the IRS plans to roll out a web-based portal for taxpayers to provide their bank information.
 - **Please Note: The IRS does not call, therefore any calls you receive asking for bank information may be a scam.**

Resources:

[IRS Press Release](#)

- **Retirement plan provisions:**
 - Until December 31, 2020, eligible taxpayers can take up to \$100,000 in early distributions from retirement plans without being subject to the 10% additional tax for early distribution.
 - For the 180-day period beginning on the enactment of the CARES act on 3/27/2020, qualified plan loan maximums may be increased from \$50,000 to \$100,000 and from 50% of participant's loan balance to 100%. Further, if a plan participant with an outstanding loan balance is personally impacted by COVID-19, they may qualify for a deferral of loan repayments for one year from the enactment of the CARES act on 3/27/2020.
 - Any resulting income inclusion can spread over three years starting in 2020. The taxpayer may also re-contribute the distributed amount in whole or in part and it will be treated as a qualifying rollover (typically subject to the 60-day rule).
 - For these purposes, an eligible taxpayer is one who has been diagnosed with SARS-CoV-2 virus or COVID-19 disease or whose spouse or dependent has been diagnosed with SARS-CoV-2 virus or COVID-19 disease or those who experience adverse financial consequences from being quarantined, furloughed, or laid off, or who has had his or her work hours reduced, or who is unable to work due to lack of child care.

Resources:

[Journal of Accountancy: CARES Act tax provisions aim to stabilize pandemic-ravaged economy](#)