




History


- We have tried to help you navigate this crazy time by providing guidance as we knew it at the time. Much has changed and continues to change! We continue to provide the latest guidance
- PPP loan application process and loan forgiveness application town halls are recorded and available on our website www.threadhcm.com and click on resources/free webinars
- Many companies have received their PPP funds and are getting close to the **original** 8 week ending
- There is still money available for PPP loans if you have not applied for one and the deadline to apply is June 30, 2020
- Now let's get to the changes.....



thread



H.R. 7010





thread



H.R. 7010

Congress Passed H.R. 7010

- This was passed by the House earlier and the Senate passed it last night at around 6:30pm
- The new legislation is going to make sure forgiveness is much easier to come by in five ways:
 - Extension to covered period
 - Expansion of percentage paid to non-payroll expenses
 - Extension to FTE restoration
 - Extension to loan payback
 - Exemptions for hiring issues
- Extension to tax deferral


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H.R. 7010

Extension to Covered Period

- ◆ Covered period has extended from 8 weeks to 24 weeks
- ◆ More time to spend the funds to still qualify for forgiveness
- ◆ Assuming the \$100k cap would mean up to \$46,154 per employee but this has not been spelled out yet. New guidance will be released at some point



H.R. 7010

Extension of Percentage Spent on Non-Payroll Expenses

- ◆ Reduced required funds to be spent on payroll from 75% to 60%
- ◆ Up to 40% could be used to spend on qualified non-payroll items such as rent, mortgage interest and utilities
- ◆ There is an important note on this - so far it looks like you MUST spend at least 60% on payroll or none of it will be forgiven. Originally this would reduce forgiven amount. This could change but be careful for now.



H.R. 7010

Extension to FTE Restoration

- ◆ Extends the FTE Safe Harbor from June 30 to December 31
- ◆ More time to restore FTE which will especially help businesses that have been shut down, partially or fully, during this time



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Extension to Loan Payback

- ◆ Loan payback extended from 2 to 5 years for the amount that is not forgiven
- ◆ There is language in this that states this is for loans that were applied for or funded on or after the date that this extension becomes law
- ◆ The language also stated that the borrower and lender are free to negotiate new terms (sounds like this could be up to the lender but borrower should inquire if necessary)



H.R. 7010

Exemptions for Hiring Issues

A new way out for borrowers who lose FTEs
During the period from Feb. 15, 2020 - Dec. 31, 2020, the amount of forgiveness will not be reduced if able to document:

- Inability to rehire individuals who were employed on Feb. 15, 2020.
- Inability to hire similarly qualified employees for unfilled positions on or before Dec. 31, 2020, or,
- Unable to return to same level of business as previous to Feb. 15, 2020 due to compliance with CDC guidance, etc. (Example - restaurant still at reduced capacity due to restrictions)



H.R. 7010

Icing on the Cake

- PPP loan recipients may now defer the 6.2% employer social security tax through the end of 2020
 - 50% paid by end of 2021
 - 50% paid by end of 2022
- Originally you could only defer until forgiveness granted
- If you choose to do this, make sure you are prepared to fund this when it is due. Tax penalties are stiff!



H.R. 7010

Items to Think About

- Borrowers are not required to wait for 24 week period if they spent all funds during the 8 weeks and feel they can get full forgiveness now
- Even if you want to stick with the 8 weeks, you do not need to rush with forgiveness application
- Deadline for submitting application remains unclear - expiration date at top of application says October 31, 2020
- If you choose 24 weeks this will push out to next year



H.R. 7010

Questions Still Remain

- We presume cash compensation limit to an employee increases from \$15,385 to \$46,153 but is that the case?
- If the above is true, will owner-employee amounts increase to that amount as well?
- How does this affect self-employed and sole proprietorships?
- When will the forgiveness application be due? If not due until next year, how does that affect 2020 tax returns since IRS stated that the forgiven amounts cannot be deducted?
- More guidance is expected



iSolved

CARES PPP Forgiveness Report

- ◆ Report is available for those that want to start their forgiveness application
- ◆ Not yet live for all so ask your account manager for it if needed
- ◆ There is a tab for each section of the application at bottom
- ◆ If using our benefit admin system, those costs will be included
- ◆ Don't apply yet if you aren't 100% sure of full forgiveness - much more flexibility now





HR Opportunities

- How do we keep our culture ?
- Onboarding
- Communicating
- Performance Management
- Learning Management
- Opportunities for improvement?




HR / Scott


Schedule Time with Scott

HR support is more important now than ever!
Thread is offering a free HR Consultation with Scott Mastley to all our Town Hall attendees. Click on the link in the follow up email to schedule a call on his calendar or visit threadhcm.com/hr-consulting.

You want to get back to business. We want to help.



The floor is yours



Thanks for joining!

If you're not getting what you're looking for and are ready to see what else is out there, we would love to help. Lose the fear with our guarantee.


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If any employee's net pay is missed or inaccurate on your first pay run by something we did, your ENTIRE implementation fee will be refunded.

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