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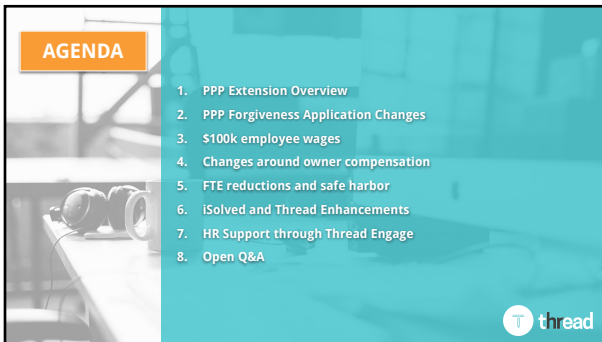
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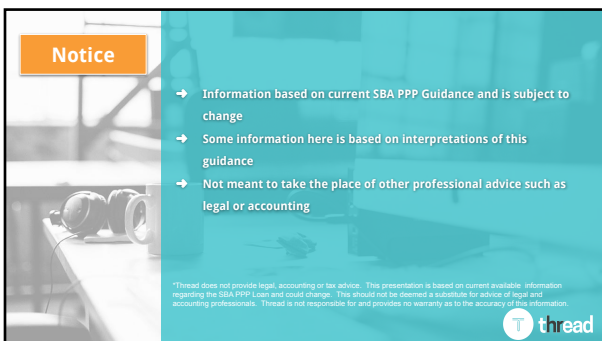
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## H.R. 7010

### PPP Extension Overview

- The new legislation is going to make sure forgiveness is much easier to come by in five ways:
  - Extension to covered period - 8 to 24 weeks
  - Expansion of percentage paid to non-payroll expenses - 60/40
  - Extension to FTE restoration - from 6/30/2020 to 12/31/2020
  - Extension to loan payback - from 2 to 5 years
  - Exemptions for hiring issues
- Extension to tax deferral
- Payroll costs incurred and paid during covered period or ACP - this means could include a payroll that is incurred but not paid until the next pay date after covered period ends
- Non payroll costs must be paid during CP/ACP or incurred and paid on next billing date even if billing date is after CP/ACP



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## PPP Forgiveness

### New Simplified Form

- ◆ Simplified form reduced from 11 to 5 pages - main difference is instructions not included in form
- ◆ Can choose 8 or 24 weeks on this form
- ◆ Includes 60% / 40%
- ◆ Not much different other than adding the new extensions



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## PPP Forgiveness

### New EZ Form

- ◆ New EZ form available for specific circumstances
- ◆ Are self employed or have no employees OR
- ◆ No drop in wages by more than 25% and did not drop number of FTEs
- ◆ Experienced reductions in business activity as a result of health directives related to Covid-19, and did not reduce salaries or wages of your employees by more than 25%



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PPP Form 3508EZ

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PPP Forgiveness

\$100k Wage Clarification for Employees

- Payroll costs including salary, wages, and tips, up to \$100,000 of annualized pay per employee:
  - For 24 weeks, a maximum of \$46,154 per individual (see next slide for owners)
  - For 8 weeks, a maximum of \$15,385 per individual
  - As well as covered benefits for employees (see next slide for owners)

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PPP Forgiveness

Owner Compensation

- Clarification was made that compensation that is forgiven for owner employees is:
  - Maximum for 8 week period is \$15,385
  - Maximum for 24 week period is \$20,833 (based on original loan amount of \$100k / 12 x 2.5). This is max across all entities
  - The \$20,833 specifically helps self employed and owners with no employees since this is how their loan amount was originally calculated and they will be able to have more time to get to the \$20,833 amount
- Forgiveness does not include health insurance premiums for self-employed, general partner or owner employees of S-Corp because such payments are already included in their compensation
- No retirement contributions for self-employed or general partner - not sure about s-corp but does mention owner employees so.....

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### FTE Safe Harbor

- ◆ Reduction in FTE due to:
  - Employer made written offer to rehire and they were declined
  - Employer made written offer to restore hours and they were declined
  - Employees fired for cause and documented
  - Employees voluntarily resigned
  - Employees voluntarily requested reduction in hours
- ◆ Safe Harbor applies to:
  - Employers unable to operate at full capacity by end of covered period due to compliance with CDC, Sec. Health and Human Services or OSHA, OR
  - Employer reduced its FTE between 2/15/2020 and 4/26/2020, and restored its FTE by 12/31/2020

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### 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

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### HR Updates

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## LGBTQ

SCOTUS includes LGBTQ in Title VII definition of "sex"

- Employers with 15+ employees are covered
- Gender identity and sexual orientation are protected
- Review/update policies such as:
  - Equal Employment Opportunity
  - Anti-harassment/discrimination
  - Dress codes
- Provide training to supervisors and employees



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## Refuse Return

As of now, the extra \$600 of federal unemployment benefits will end at the end of July, no matter when the claim started.

- Document the offer/recall and response
- Include safety measures, new expectations, and options to accept or refuse the return
- Consider option for temporary refusal due to being high risk or needing disability accommodation
- If refuse, "engage in interactive process"
- If not high risk, not qualified for accommodation, and can't provide unpaid leave, talk termination



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## Ethical Issues

- One Size Fits All might not fit
- Monitoring when feeling out of control
- Choosing transparency over the spin
- Accepting change when you don't agree

Lori's message to us:  
At Thread, We Are Stronger Together.



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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 and gain a partner with our guarantee.


THE THREAD GUARANTEE

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