



Thread Connects

- Town Hall June 23, 2020 -

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#forabetterworkplace

AGENDA

1. PPP Extension Overview
2. PPP Forgiveness Application Changes
3. \$100k employee wages
4. Changes around owner compensation
5. FTE reductions and safe harbor
6. iSolved and Thread Enhancements
7. HR Support through Thread Engage
8. Open Q&A

Notice

- **Information based on current SBA PPP Guidance and is subject to change**
- **Some information here is based on interpretations of this guidance**
- **Not meant to take the place of other professional advice such as legal or accounting**

*Thread does not provide legal, accounting or tax advice. This presentation is based on current available information regarding the SBA PPP Loan and could change. This should not be deemed a substitute for advice of legal and accounting professionals. Thread is not responsible for and provides no warranty as to the accuracy of this information.

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

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

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%

PPP Form 3508EZ



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs: _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: _____

Line 6. PPP Loan Amount: _____

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): _____

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): _____

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)

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.....

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

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 Updates

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**

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

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.

Call me to
talk about
your HR
support
options.

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

Every employee paid right the first time

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.

THAT'S OUR GUARANTEE.

Visit threadhcm.com/guarantee to learn more and schedule a demo today!

