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The Council of Insurance Agents and Brokers gave a briefing yesterday on the Federal Relief efforts. All 3 phases of relief are outlined in the Federal Relief Powerpoint.

## **Here is a summary of available relief in Phase III:**

- i Recovery checks of \$1,200 for individuals with AGI up to \$75,000 or \$112,500 for those with a head of household filing. All joint filers, with AGI up to \$150,000 are eligible for \$2,400. Those amounts increase by \$500 for every child
- i \$600 maximum unemployment benefit per week (“ensures laid-off workers receive full pay for 4 months”)
- i \$58 billion for airlines - prohibited from stock buybacks and CEO bonuses
- i \$150 billion Marshall Plan for hospitals
- i Additional \$349 billion in loans for small businesses to cover payroll and other expenses – bans stock buybacks for the term of the government assistance plus 1 year for any company receiving aid
- i Retention tax credit for employers to encourage businesses to keep workers on their payrolls
- i Waiving penalties for withdrawing as much as \$100,000 from retirement plans
- i Technical corrections and other changes to 2017 tax overhaul
- i Several modifications to the emergency leave programs in the second package
- i Creates Treasury Department Special Inspector General for Pandemic Recovery

It is our understanding that the Small Business Loans will be administered through banks. Here is a summary of the relevant points:

- i Allows SBA to provide federally-backed loans from February 15, 2020 to June 30, 2020 to eligible businesses to cover operational costs, including payroll, rent, health benefits (and insurance premiums), etc.
- i No collateral, personal guarantees, or subsidy recoupment fees required (interest rate set at 2/15/20 level)
- i Eligible businesses = 500 or fewer employees

- Leeway for businesses with multiple “small” locations that provide accommodation and food services
- Sole proprietors, independent contractors, and self-employed individuals are eligible
- Some relief from SBA affiliation rules for certain businesses
- i Two eligibility criteria = good-faith certification of need for the loan + agree to not fire workers
- i The maximum loan amount is a multiplier (2.5x) of average monthly payroll costs up to \$10M cap
- i Businesses can use loans for almost all operating costs (with limits on individual comp above \$100K, comp for non-U.S. workers, and “double dipping” for Families First paid leave wages already receiving credit)
- i Debt forgiveness up to the principal loan amount for certain costs incurred during the covered period
  - Forgivable amounts = payroll costs; interest payments on loan obligations; rent; and utilities
  - Forgiveness amounts reduced for firing employees or cutting wages