**US GOVERNMENT CARES ACT STIMULUS PACKAGE SUMMARY
UPDATED March 27, 2020**

The following is not guaranteed but simply the current interpretation of the bill and its benefits to restaurants as of the date above.

SBA Loan with Loan Forgiveness

1. SBA LOAN - Calculation as to your benefit is the lesser of these two (however also reads at business owners judgement) either the average total monthly payroll for the period of Feb 16th, 2019 to Feb 15th, 2020 times 2.5 or the average monthly payroll for March 1, 2019 till June 30th 2019 times 2.5
	* Exclude any amount of salary over $100,000
	* Include bonuses except for those that made over $100,000 in salary
	* Include Vacation and Sick pay
	* Include Group Health Insurance Premiums
	* Include payment of employee tips if any
	* Exclude Workers Comp Insurance at this time
	* Any State and Local Taxes on employee wages, NOT Payroll Taxes
	* Must employ less than 500 people per location
	* No collateral or personal guarantee required
	* Maximum loan benefit $10 MM
2. FORGIVENESS - A portion of the loan up to the entire amount may be forgiven if you mee the following criteria
	* Eligible expenses during the **8 weeks immediately post the origination of the SBA Loan.**
	* Interest payments not principal payments originated before February 15, 2020
	* Rent payments (not clear on cam, insurance and property taxes at this time but we believe to be included)
	* Qualifying non payroll expenses may not be more than 25% of the loan forgiveness.
	* Payroll for anyone that makes less than $100k annually but diminished as follows…
		1. The percentage difference for full time equivalent employees for the control period which is the 19 week average from Feb 15th, 2019 to June 30, 2019 as compared to the number of full time equivalent employees by the last week of the test period (Est as June 30th 2020)
		2. Example: all eligible hours worked for salary and hourly employees for the test divided by 19 weeks of the test period, divided by 30 hours full time equivalent yields how many full-time employees you started with for your organization.
		3. 1 store averages $32,000 might be about 814 hours plus any above store under $100k annually divided by 30 hours equals 27 full time equivalents. If by the end of the test period, you have reemployed enough labor hours in the last week so when calculated is 23 full time equivalents then your discount on the salary side for forgiveness would be 15%
	* There is legislation requesting that the forgiveness period be extended beyond 8 weeks as well as extending the reemployment deadline beyond June 30. (4-6-202)
	* Further diminish the deduction of the payroll calculation if you reduced pay for remaining employees by more than 25% of original pay, this to prevent reemploying at less hours or pay rate in the calculation.
	* Employers are specifically allowed to have less employees at the beginning of the test period allowing the employer to catch up on reemployment.
3. Any amount of the SBA loan not forgiven will then be amortized for 10 years at 4%.
4. Employee Retention Tax Credit
	* Only If you paid Employees that did not perform duties
	* For the period during the crisis your revenue was less than 50% of the same period prior year you may be eligible for a tax credit equal to 50% of your Employer paid payroll taxes.
	* For employers with more than 100 full time equivalent employees (company or individual site TBD) it does not apply to those employees that may be receiving benefits from the virus and not working.
	* For employers with less than 100 full time equivalent employees the tax credit is equal to 100% of your Employer paid payroll taxes.
	* The credit is capped at the first $10,000 of any individual of compensation including health benefits if included in compensation.
	* The crisis period is being defined at this time as March 13, 2020 till December 31, 2020
5. Employers may defer payment of the employer share of the Social Security payroll tax which is usually 6.2% of your Social Security Wages till the end of the year 2020.
	* Social Security Wages are sometimes less than total wages due to certain deduction that apply as noted on a w-2. For example the federal government taxes tips but your social security wages omit tips and usually health benefits paid by the employer.
	* You must contact your third-party payroll provider for exact amount, process and to execute.
	* Deferrals can be paid half by year end 2021 and the second half by year end 2022
6. Timing
	* The SBA is not expected to deliver the actual loan documents to SBA Lenders till Tuesday April 7th, 2020. Processing can begin at that time and proceed as fast as the lender verifies the input and submits electronically, likely two to 7 business days for processing.