

# Coronavirus – Federal Financial Assistance Programs

## Relevant to Employers (Brokerage Owner or Team Leader with W-2 Employees)

### 1) [Paycheck Protection Program](#)

- a. **Description:** Provides 100% federally guaranteed loans to small businesses to help keep employees on payroll.
- b. **What's important for you (Brokerage Owner or Team Leader with W-2 Employees) to know:**
  - i. Loans can be up to 2.5x the borrower's average monthly payroll costs, not to exceed \$10 million. (Take 2019 Avg. monthly payroll number X 2.5)
  - ii. Borrowed amount should be reduced by compensation of an individual employee in excess of an annual salary of \$100,000, as prorated for the period February 15, to June 30, 2020, and should also be reduced by the amount of payroll taxes, railroad retirement taxes, and income taxes
  - iii. **Loan Forgiveness:** If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable if at least 75% was spent on Payroll.
    1. **Monies spent on anything else will not be forgiven!** Initial interest rate will be 0.5%
- c. [Paycheck Protection Program - Application Form](#)
- d. [Additional Small Business Coronavirus Information - U.S. Chamber of Commerce](#)
- e. [Additional Small Business Association Coronavirus Information](#)

### 2) [CARES Act: Employee Retention Credit](#)

- a. **Description:** Provides eligible employers with a refundable payroll tax credit equal to 50% of qualified wages (up to \$10,000 paid to each employee) paid to employees per quarter beginning March 13, 2020 through December 31, 2020.
- b. **What's important for you (Brokerage Owner or Team Leader with W-2 Employees) to know:**
  - i. Available to corporations as well as pass-through entities, such as LLCs, S corporations, partnerships, and sole proprietors; parameters differ if over 100 employees
  - ii. Company does not need to wait until 2020 tax filing season; the tax credit may be claimed against the employer portion of employment taxes, including Social Security and Railroad Retirement payroll taxes
  - iii. Please refer to the link above for detailed FAQ regarding the program

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## Relevant to Individuals

- 3) [Direct Payments to Taxpayers \(based on income bands\)](#)
  - a. **Description:** To provide American taxpayers relief for economic hardships caused by the coronavirus pandemic
  - b. **What's important for you to know:**
    - i. To receive an expedited stimulus check (for those who qualify), one would have had to file either a 2018 or 2019 tax return.
    - ii. For anyone who has not provided direct deposit information to the IRS previously, the IRS is currently developing a web-based portal for individuals to provide their banking information to the IRS online; for those with no direct deposit, physical checks will be mailed
    - iii. Please refer to the link above for all other questions regarding this stimulus
  
- 4) [Unemployment Insurance \(How to Apply\)](#)
  - a. **Description:** New and enhanced unemployment insurance benefits have been instituted and expanded to include real estate agents (whether employees or independent contractors) in addition to employees of real estate brokerages who have been impacted due to Coronavirus
  - b. **What's important for you to know:**
    - i. The government is providing an extra \$600 per week as well as an additional 13 weeks of benefits for those who qualify (see above link for eligibility)
    - ii. Please refer to the link above and select your state of residence for more information on how to file
  
- 5) [SPECIAL RULES FOR USE OF RETIREMENT FUNDS - SEC. 2103](#)
  - a. **Description:** individuals will be able to withdraw up to \$100,000 without 10% early penalty risk.
  - b. **What's important for you to know:**
    - i. This withdrawal will only be allowed if individual can prove they have been impacted due to the coronavirus (either medically or financially).
    - ii. Please refer to link above for all other questions regarding this benefit and contact your retirement account administrator