

COVID-19 Relief Summary for Employers

Information available as of March 29, 2021

Relief	Coronavirus Aid, Relief and Economic Security Act (CARES) Enacted 3/27/20; view full Act	Coronavirus Response and Relief Supplemental Appropriations Act Enacted 12/27/20; view full Act	American Rescue Plan Act of 2021 (ARPA) Enacted 3/11/21; view full Act
Payroll Protection Program (PPP) Loan	Expenses paid with PPP loan proceeds not deductible as a business expense.	Expenses paid with PPP loan proceeds 100% deductible. Eligibility is expanded to include all nonprofits, including 501(c)(6) organizations. Read more All relief from the previous PPP loan (as applicable) must be used on or before the expected date of the second PPP loan. Eligibility reduced from 500 to 300 employees. There must be a reduction in gross receipts by 25% (using 2019 to 2020 quarter comparison or full year comparison).	Removes Small Business Administration affiliation rules for nonprofits. Creates new category of eligibility for nonprofits: 501(c)(3), 501(c)(4), 501(c)(6) or 501(c)(19), and exempt from tax under 501(a) “(III) ELIGIBILITY OF CERTAIN ORGANIZATIONS—Subject to the provisions in this subparagraph, during the covered period— “(aa) a nonprofit organization shall be eligible to receive a covered loan if the nonprofit organization employs not more than 500 employees per physical location of the organization; and (ix) ELIGIBILITY OF ADDITIONAL COVERED NONPROFIT ENTITIES—An additional covered nonprofit entity shall be eligible to receive a covered loan if— “(I) the additional covered nonprofit entity does not receive more than 15 percent of its receipts from lobbying activities; “(II) the lobbying activities of the additional covered nonprofit entity do not comprise more than 15 percent of the total activities of the organization; “(III) the cost of the lobbying activities of the additional covered nonprofit entity did not exceed \$1,000,000 during the most recent tax year of the additional covered nonprofit entity that ended prior to February 15, 2020; and “(IV) the additional covered nonprofit entity employs not more than 300 employees.” PPP applications extended to 5/31/21 via U.S. House and Senate votes; presidential signature expected.
Employer Social Security Payroll Tax Deferral	Employers can defer the employer Social Security liability through 12/31/20. 50% of deferred employer Social Security is due 12/31/21; remaining 50% is due 12/31/22. Learn more.	Deferral ends 12/31/20.	Payments on deferred tax can be made via the Electronic Federal Tax Payment System (EFTPS) . The payment(s) should be made separately from other tax payments. EFTPS will be adding a new option “deferral payment” to choose. Select “deferral payment” and change the date to the applicable tax period for the payment.
Pandemic Unemployment Assistance (PUA) Pandemic Emergency Unemployment Compensation (PEUC)	Provides additional \$600 in unemployment benefits per week from 4/4-7/25/20; eligibility extended to the self-employed and gig workers. Unemployment benefits extend from 26 weeks to 39 weeks. No waiting period if unemployment due to COVID. Benefits paid due to COVID are not charged against the employers’ rate calculation. Act 9 of 2020 - reimbursable employers - benefits paid due to COVID are charged at 50% of the benefit paid as opposed to 100% - ends 12/31/20.	Program extension for 11 weeks (for a total of 50 weeks). Provides an additional \$300 per week in unemployment benefits beginning 12/26/20 until 3/13/21. Provides an extra benefit of \$100 per week for certain workers with both wage and self-employment income - but whose base benefit calculation does not consider their self-employment income. Act 9 of 2020 Relief extended through 3/13/21.	Continues federal supplemental unemployment insurance benefits of \$300 per week beginning 3/15, after the current one expires, through 9/6/21. Exempts first \$10,200 in unemployment benefits paid in 2020 from federal income tax. Increases total unemployment compensation time to 74 weeks from 50 weeks. Extends all other provisions for Pandemic Unemployment under CARES through 8/29/21.

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Employee Retention Tax Credit (ERTC)	Qualified wages (to include the health insurance allocation) used for the ERTC cannot also be claimed as a business expense.			Cannot claim the credit against wages used for: <ul style="list-style-type: none"> ▪ PPP loan forgiveness ▪ Families First Coronavirus Response Act (FFCRA) ▪ Work Opportunity Tax Credit ▪ S-Corp Shareholders with more than 50% ownership (and those with the following relationship to the more than 50% owner) <ul style="list-style-type: none"> ○ A child or a descendant of a child; ○ A brother, sister, stepbrother or stepsister; ○ The father or mother or an ancestor of either; ○ A stepfather or stepmother; ○ A niece or nephew; ○ An aunt or uncle; ○ A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law. The employee does not need to have wages to qualify for the allocable health care expenses. <p>Receiving relief:</p> <ul style="list-style-type: none"> ▪ File Form 7200 with IRS for credits available and unused within the quarter PRIOR to submitting Form 941 for that quarter ▪ Apply the credit toward each payroll's 941 payment ▪ Submit the eligible credit for the quarter on the Form 941 and request a refund * ▪ Any combination of the above <p><i>*any credit available and unclaimed from 2020 can be requested on the Q4 2020 Form 941</i></p>
	Effective dates: Wages paid 3/13/20 to 12/31/20	Effective dates: Wages paid 1/1/21 to 6/30/21	Effective dates: Wages paid 1/1/21 to 12/31/21	
	Cannot use with PPP loan.	Can use with PPP loan (just not for the same expenses).		
	50% credit on the 1st \$10,000 in qualified wages (to include the health insurance allocation). Maximum 2020 credit: \$5,000 per employee for year	70% credit on first \$10,000 in qualified wages (to include the health insurance allocation) per quarter. Maximum 2021 credit: \$7,000 per employee per quarter (Q1 and Q2 only) = \$14,000 per employee for 2021	70% credit on first \$10,000 in qualified wages (to include the health insurance allocation) per quarter. Maximum 2021 credit: \$7,000 per employee per quarter = \$28,000 per employee for 2021	
	No more than 100 average FTEs in 2019: qualified wages include all wages paid (to include the health insurance allocation). More than 100 average FTEs in 2019: qualified wages include all wages paid (to include the health insurance allocation) ONLY when no work is performed.	No more than 500 average FTEs in 2019; qualified wages include all wages paid (to include the health insurance allocation). More than 500 average FTEs in 2019; qualified wages include all wages paid (to include the health insurance allocation) ONLY when no work is performed.		
	Eligible for qualified wages (to include the health insurance allocation) during: Period of time operations were fully or partially suspended during any 2020 calendar quarter due to orders from an appropriate governmental authority limiting commerce, travel or group meetings (for commercial, social, religious or other purposes) due to COVID-19; OR Any quarter in which gross receipts are at least 50% less than the same quarter in 2019 through any following quarter in 2020 where the gross receipts do not increase to 80% or greater.	Eligibility expanded through 6/30/21 Gross receipt reduction eligibility expands to 6/30/21, for any quarter in which gross receipts are at least 20% less than the same quarter in 2019 <i>*for Q1 2021, Q4 2020 vs. Q4 2019 can be used as a comparison</i>	Eligibility expanded through 12/31/21 Gross receipt reduction eligibility expands to 12/31/21, for any quarter in which gross receipts are at least 20% less than the same quarter in 2019	
Federal, state or local government agencies or instrumentalities are not eligible.	Tax-exempt public colleges, universities and hospitals described in IRC Section 501(c)(1) may be eligible and are treated as carrying on a trade or business for purposes of the ERTC.	Recovery Startup Business eligibility extended for new business if: <ul style="list-style-type: none"> ▪ Established after 2/15/20 ▪ Revenue declined by 90% compared to same calendar quarter ▪ Capped at \$50,000 per quarter 		

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<p>Families First Coronavirus Response Act (FFCRA)</p> <p>Emergency Paid Family and Sick Leave (EPSL)</p> <p>Emergency Family and Medical Leave Expansion Act (EFMLEA)</p> <p>Click here for more detail on eligibility, days covered, payment calculation and cap on wages eligible for tax credit</p>	<p>Required (with some exceptions) for employers with 500 or less FTEs for leave beginning 4/1/20 through 12/31/20</p>	<p>Optional for employers with 500 or less FTEs for leave beginning 1/1/21 to 3/31/21</p> <ul style="list-style-type: none"> • Credits remain available if FFCRA provided • FFCRA days available remain the same • Additional days for 2021 not provided 	<p>Optional for employers with 500 or less FTEs for leave beginning 1/1/21 to 9/30/21</p> <ul style="list-style-type: none"> • Credits remain available if FFCRA provided • Extends credit eligibility to certain government employers previously excluded <p>Beginning 4/1/21:</p> <ul style="list-style-type: none"> ▪ If an employee exhausted 10 days of EPSL by 3/31/21, an additional 10 days of EPSL can be provided (not required) through 9/30/21. ▪ The first two weeks of EFMLEA are now paid time, totaling 12 weeks of paid family leave. The total amount of qualified family wages that may be counted toward the credit for qualified family leave wages is \$12,000 per employee (increased from \$10,000 per employee); however, the maximum amount of qualified family leave wages per day that can be counted for the credit remains \$200. ▪ Eligibility conditions expanded to include: <ul style="list-style-type: none"> ○ EFMLEA expanded to include reasons covered under EPSL ○ EPSL expanded to allow leave to receive/recover from COVID-19 vaccination
<p>Additional Grants to Impacted Small Businesses</p>	<p>Not applicable.</p>	<p>Shuttered Venue Operators Grants: \$15 billion for venues, operations or promoters that meet certain criteria. Grants may be used for specific costs such as payroll, leases, utilities and other expenses and represent tax-exempt income to recipients. Learn more.</p>	<p>Impacted businesses meeting certain criteria can apply for grants directly from the Small Business Administration. Grants are reduced by Employee Retention Credit and PPP loan forgiveness previously received.</p> <p>Priority given to grants applications for businesses owned by certain protected classes of business owners. Businesses who received grants previously are not eligible.</p> <p>Payroll Support Grants for the airline Industry.</p> <p>Restaurant Revitalization Fund: \$28.6 billion in grants will soon be available to restaurants and bars hurt by the pandemic. The grants provide up to \$10 million per company with a limit of \$5 million per physical location. The grants can be used to cover payroll, rent, utilities and other operational expenses.</p> <p>Shuttered Venue Operators Grants: Adds \$1.25 billion more for grants and extends eligibility to entities that received PPP loans after 12/27/20. Any such PPP funds will be deducted from the amount of Shuttered Venue Operator Grants received.</p>
<p>Employer-Provided Student Loan Repayment</p>	<p>Employers can contribute, and exclude from income, up to \$5,250 annually toward Employee student loans through 12/31/20 (includes any other tax-free educational assistance as part of a tuition assistance plan)</p>	<p>Extended through 12/31/25</p>	

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COBRA Health Insurance Subsidy	Not applicable.		100% subsidy of COBRA health insurance premiums to ensure that laid-off workers can remain on the employer health plan(s) at no cost from 4/1/21 through 9/30/21 <ul style="list-style-type: none"> ▪ Credit is received in the same way as ERTC or FFCRA ▪ Employees who voluntarily separate are not eligible ▪ Employee is eligible if terminated from a job or hours reduced ▪ COBRA subsidy is not retroactive ▪ Excluded from PPP forgiveness
Dependent Care Assistance	Individuals can rollover all FSA unused amounts from 2020 to 2021 and from 2021 to 2022.	Employers can allow employees mid-year 2021 changes.	1/1/21 to 12/31/22 - increased limit from \$5,000 to \$10,500 for income exclusion for employee-provided dependent care assistance
Work Opportunity Tax Credit	No changes	Extended to 12/31/25	
Student Loans	<p>On 3/20/20, the office of Federal Student Aid began providing the following temporary relief on student loans owned by the U.S. Department of Education:</p> <ul style="list-style-type: none"> ▪ Suspension of loan payments ▪ Stopped collections on defaulted loans ▪ 0% interest rate <p>Provisions extended through 9/30/21 (effective 1/20/21)</p>		
Child Tax and Earned Income Credit	No changes		<p>Child tax credit increase from \$2,000 to \$3,000 for every child age 6 to 17 and \$3,600 for every child under age 6. Child tax payments to be recognized monthly (or as quickly as the U.S. Treasury is able) as opposed to one lump sum.</p> <p>The Earned Income Tax Credit for 2021 is available to people without children (\$543 to \$1,502 based on income and filing status).</p> <p>For 2021, the age of a qualifying child expands from under 17 to under 18 years of age.</p>
Employer Credit for Paid Family and Medical Leave	No changes	Extended from 1/1/21 to 12/31/25	
Deduction for Business Meals	No changes	Provides a temporary allowance of a 100% deduction (currently 50%) for business meal food and beverage expenses provided by a restaurant that are paid or incurred from 1/1/21 to 12/31/22	

Employee Social Security Deferral

On 8/8/20, President Trump issued a memorandum allowing employers the option of providing employees the opportunity to defer Social Security taxes from pays dated 9/1/20-12/31/20. **Original Payback Requirement:** Deferred employee Social Security taxes to be collected and/or paid back by 3/31/21; penalties and interest on late tax payments were to begin to accrue on 4/1/21. **Revised Payback Requirement:** Deferred employee Social Security taxes to be collected and/or paid back by 12/31/21; penalties and interest on late tax payments will begin to accrue on 1/1/22.