

THOUGHT LEADERSHIP

News

## The PPP is Relaxed

Newsbrief

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As part of the CARES package, the Paycheck Protection Program (PPP) was enacted. If an employer qualified, it could receive a forgivable loan. Forgiveness was conditioned on maintaining employment and wages.

Earlier this week, the PPP was amended so that employers can more easily qualify for forgiveness. Among the highlights:

- The deadline to rehire employees has been extended from June 30 to December 31.
- You have up to 24 weeks to disburse the loans. Previously, you had 8 weeks.
- You now only have to spend 60% of the proceeds on payroll expenses. Previously, it was 75%. Payroll expenses include salary, wages, commissions, tip, benefits and state and local taxes on pay. Otherwise, you can spend it on mortgage interest, rent and utilities.
- The term of the loan (the portion not forgiven) was extended from 2 years to 5 years for new loans. For loans already issued, the term can be modified upon agreement of the borrower and lender.

These changes should provide employers with flexibility to use their PPP proceeds, and just as importantly, have them forgiven.

Stay safe and keep the course. And please let us know if we can help.

Thanks, Jack, Elizabeth and Jim