



YOUR EMPLOYER CAN HELP COVER YOUR WAGES AND BENEFITS

Employee Retention Tax Credit – the CARES Act revives a tax credit that has been used before in the aftermath of natural disasters to for employers to retain employees. The amount of the credit is 50% of all employee wages per calendar quarter but won't exceed \$10,000 per employee per calendar quarter. In applying for the tax credit, the employer may include amounts paid to group health plans as “wages” if the amounts are not normally included as income to the employee. To receive the credit, the employer must experience: 1) a full or partial suspension of operations due to orders from a governmental authority limiting commerce, travel or group meetings due to COVID-19; or 2) a significant decline in gross receipts. The credit only applies to wages paid between March 12, 2020 and January 1, 2021. Tax exempt organizations are eligible for the credit. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances described above. For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order.

Paycheck Protection Program – the CARES Act creates a new avenue for small businesses, veterans organizations, 501(c)(3) organizations or “any business concern” to receive a cash infusion if they do not employ more than 500 individuals. Specifically, it amends the Small Business Administration's (SBA) Section 7(a) Loan Program. The core mission of this program is to provide SBA-guaranteed financial assistance to small businesses that lack access to capital. Private lenders partner with SBA by making loans directly to small businesses and the SBA guarantees a portion of each loan. The CARES Act amends the program to direct the SBA to guarantee the *entire* loan. The loans are capped at \$10 million, and interest shall not exceed 4%. Eligible loans may only be made between February 15, 2020 and June 30, 2020. Companies may use these loans for a wide range of purposes including acquisition of land, construction, materials, supplies, equipment, payroll costs, continuing group healthcare benefits, employee salaries, interest on mortgage, rent, and utilities. Additionally, SBA shall require lenders who make loans during the above-referenced period to provide payment deferment relief for not less than 6 months. The amount of loan forgiveness shall be reduced if the business laid off workers or reduced their wages. SBA, however, may grant exemptions to this rule. Finally, loans would be available immediately through more than 800 existing SBA-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program. Depending on the definition of “any business concern” this could be an opportunity for Taft Hartley plans and unions to receive these loans.

Retaining Employees on Federal Job Sites – the CARES Act also opens up new authority for federal agencies to use existing funds to pay their contractors whose employees or subcontractors cannot perform work on a “site that has been approved by the Federal Government, including a federally-owned or leased facility, due to facility closures or other restrictions” and whose job duties cannot be performed remotely due to the COVID-19 public health emergency. This includes building trades workers. Payments to employees are limited to an average of 40 hours a week and exclude any credits the contractors are allowed for benefits they otherwise provide under the FFCRA or this Act. Applies only to paid leave or paid sick leave up to September 30, 2020.