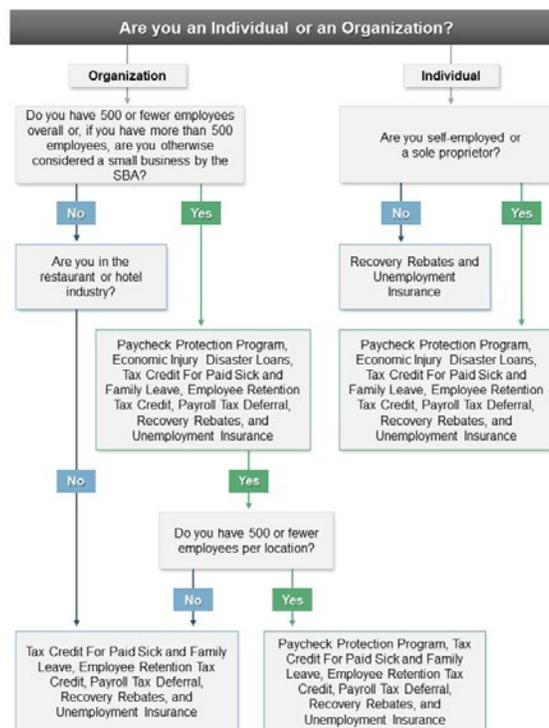


COVID-19 Relief Opportunities for Families, Small Businesses, and Independent Contractors

Updated April 13, 2020

The Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act established and expanded a number of programs to help families, businesses, sole proprietors, and independent contractors during the COVID-19 crisis. These measures include tax rebates for individuals and families, loan programs through the Small Business Administration (SBA) for sole proprietors, independent contractors, and businesses with under 500 employees, payroll tax relief, and expanded eligibility and benefits for unemployment insurance.

Summary of Program and Benefit Eligibility:



Note: This chart is intended only as a guide and should not be relied upon to determine eligibility for any program or benefit.

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Paycheck Protection Program

Available for businesses, sole proprietors, and independent contractors

The Paycheck Protection Program provides forgivable SBA loans to any business that was operating on February 15, 2020, and that has 500 or fewer U.S. employees (with higher employee thresholds applicable in some industries -- e.g., businesses in the hospitality and food service industries and SBA-listed franchises) or that is a traditionally defined small business under the SBA's [size standards](#). Paycheck Protection Program loans are also available for certain nonprofit organizations and for individuals who are self-employed, sole proprietors, and independent contractors.

Paycheck Protection Program loans are limited to 2.5 times a business's average monthly payroll costs, up to \$10 million. At least 75 percent of a loan must be used for payroll costs (wages, benefits, and insurance), and the rest can be used for mortgage interest, rent, utilities, and interest on existing debt obligations. The SBA may forgive loan amounts spent on payroll costs, mortgage interest, rent, and utilities. The amount of the loan eligible for forgiveness may be reduced, however, by reductions in employee headcount or compensation.

Additional information about the Paycheck Protection Program is available here:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

Economic Injury Disaster Loans

Available for businesses, sole proprietors, and independent contractors

Economic Injury Disaster Loans allow businesses with 500 or fewer employees (or that otherwise meets the SBA's [size standards](#) for small businesses) to borrow \$2 million directly from the SBA to use for a broad range of ordinary and necessary business expenses. Businesses that apply for an Economic Injury Disaster Loan may request a \$10,000 advance from the SBA, which does not need to be repaid, even if the Economic Injury Disaster Loan application is ultimately denied.

More information about Economic Injury Disaster Loans is available here:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

Tax Credit For Paid Sick and Family Leave

Available for businesses, sole proprietors, and independent contractors

Small and mid-sized businesses can be reimbursed through a tax credit for paid sick or childcare leave related to COVID-19 they are now required to provide their employees. Businesses and nonprofit organizations with fewer than 500 employees may receive a refundable tax credit for each day that the paid employee is out because the employee is quarantined or has symptoms of COVID-19 and is seeking a medical diagnosis. The tax credit for sick leave is capped at the employee's regular rate of pay, up to \$511 per day and \$5,110 in total over 10 days.

Businesses and nonprofit organizations may also receive a tax credit for paying an employee who is out to care for a child whose school is closed or whose childcare provider is unavailable due to COVID-19. The tax credit for childcare leave is capped at two-thirds of the employee's regular rate of pay, up to \$200 per day and \$2,000 in total over 10 days.

More information about the tax credit for paid sick and family leave is available here:

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus->

[related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus](#)

These tax credits are also available for self-employed people. More information is available here: <https://www.irs.gov/newsroom/covid-19-related-tax-credits-for-required-paid-leave-provided-by-small-and-midsize-businesses-faqs#specific>

Employee Retention Tax Credit

Available for businesses and sole proprietors

Employers may be able to take a tax credit against the portion of social security taxes they pay for their employees. The tax credit is available for businesses that were fully or partially suspended by the government due to COVID-19 and businesses that faced a significant decline in revenue. Businesses that receive loans under the Paycheck Protection Program may not take the tax credit.

More information about the employee retention tax credit is available here: <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>

Payroll Tax Deferral

Available for businesses and sole proprietors

Employers and self-employed individuals may defer or postpone the employer share of social security taxes. Additional information about the payroll tax deferral is available here: <https://www.schatz.senate.gov/coronavirus/payroll-tax-deferral>.

Recovery Rebates

Available for individuals and families

Recovery Rebates are payments from the IRS that provide up to \$1,200 per adult (\$2,400 for a married couple) and \$500 per child. They will be issued by a mailed check or by direct deposit to anyone with a Social Security Number who filed a tax return for 2018 or 2019 or who currently collects Social Security. People who have not filed a 2018 or 2019 tax return can file them now to claim to rebate or can claim the rebate on their 2020 tax return. The rebates begin phasing out for individual taxpayers making \$75,000 per year and \$150,000 for married couples filing jointly.

More information about Recovery Rebates is available here: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

Unemployment Insurance

Available for individuals, sole proprietors, and independent contractors

The CARES Act increases federal support for unemployment benefits and expands the eligibility for benefits. It allows self-employed, independent contractors, and gig economy workers to qualify for unemployment benefits. It creates an incentive for states to eliminate waiting periods for eligibility for unemployment benefits. It also adds \$600 per week to base unemployment benefits. People who are furloughed from work or who cannot work due to COVID-19 related issues may also qualify.

Unemployment insurance is a joint federal-state program. States administer their own unemployment programs and may have different rules.

You can find your state office for unemployment benefits here:

<https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>

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