



# THE CARES ACT

## *RESOURCES & OVERVIEW*

# SITUATION & TABLE OF CONTENTS

On March 27, President Trump signed the CARES Act into law (Coronavirus Aid, Relief, and Economic Security Act), which is the third bill to address the COVID pandemic.

The \$2.2 trillion relief package is the boldest action to date in response to the COVID-19 pandemic and is the single largest relief bill in U.S. history.

**The following slides provide additional resources to visit as well as summary views and highlights of the bill which most directly impact businesses**

- **Helpful Resources and Links**
- **Cares Act Overview**

**Slides 3-5**

**Slides 6-11**



# RESOURCES TO HELP BUSINESSES WITH CARES ACT & COVID

## National Small Business Town Halls



[Click here to register](#)

**WHEN:** Friday April 24<sup>th</sup> at 12pm EST  
Friday May 1<sup>st</sup> at 12pm EST

## National Small Business Town Halls

*The U.S. Chamber of Commerce will team up for a National Small Business Town Hall Series to help small business owners alike navigate the programs that are available to them*



**NOTE:** to join Town Hall, you must have a Microsoft Teams Account and Application



U.S. CHAMBER OF COMMERCE

## Coronavirus Small Business Survival Guide

[Click here to visit site](#)



[Click here to visit site](#)

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# RESOURCES TO HELP BUSINESSES WITH CARES ACT & COVID

## CARES Act Overview and Q&A with US Chamber of Commerce



Special recording in partnership with US Chamber of Commerce targeted at Small Businesses

RUN TIME: 28 min

[Click here to watch video](#)



*Also find this recording & other helpful COVID-19 Resources on:*

**The Coca-Cola FSOP Coronavirus (COVID-19) Resource Site**

[Click here to visit site](#)

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# RESOURCES TO HELP BUSINESSES WITH CARES ACT & COVID

## U.S. Department of Labor

- *Overall Response to COVID-19:* <https://www.dol.gov/coronavirus>
- *Unemployment Benefit Finder:* <https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>

## Small Business Association Loan Application

- <https://covid19relief.sba.gov/#/>

## U.S. Chamber of Commerce

- <https://www.uschamber.com/coronavirus>



# CARES ACT OVERVIEW

***WHAT YOU NEED TO KNOW***



# Relief for Individual Workers

- **Cash payments to American workers** of \$1,200 (\$2,400 married), with an additional \$500 payment per child.
  - Full payment applies to Americans making up to \$75,000 (individuals) and \$150,000 (married). Benefits would phase out entirely at \$99,000 for singles and \$198,000 for couples (with no children).
  - This also applies to those who have no wage income, including low income individuals and the self-employed.
  - Direct payments will be provided based on 2018 or 2019 tax returns. Payments are projected to be made in mid-April.
  - If taxes were electronically filed, payments will be deposited into one's bank account; if taxes were filed by mail, banking information will need to be provided to the IRS.
- **Unemployed individuals will receive four months of state-based unemployment insurance** (up from three), plus an additional \$600 per week paid by the federal government.
- **Student loan payments, principal and interest, are deferred through September 30, 2020** without penalty to the borrower for all federally owned loans. Provides federal loan and Pell Grant protections for students who ceased enrollment as a result of COVID-19.
- **Provides \$3.5 billion for the Child Care and Development Block Grant (CCDBG)**, to supplement state, territory, and tribal funds for child-care assistance of health care sector employees, emergency responders, sanitation workers, and other “essential” workers without regard to normal income eligibility requirements.



# Relief for Large Businesses

- Employers with businesses suspended (i.e. partially or fully closed or that have a significant drop in sales) due to the COVID outbreak can qualify for an **Employee Retention Refundable Tax Credit** for 50% of wages paid – up to \$10,000 per employee – for individuals who remain on payroll but are not working during the COVID-19 crisis.
- **Employer share of payroll taxes** (FICA and FUTA taxes) **can be deferred for 2-3 years.**
- To address immediate cashflow needs, **numerous tax law changes have been enacted**, including accelerating deductions for past losses and increasing interest deductions.
- Provides \$454 billion in support of Federal **Reserve emergency lending facilities and directs the US Department of the Treasury to implement a Federal Reserve program to provide financing to banks and other lenders that make direct loans to mid-sized businesses** (between 500 and 10,000 employees). While the details of this potential mid-size lending program are yet to be established, the CARES Act sets out eligibility requirements, terms and conditions for the program.



# Relief for Small Businesses

Fewer than 500 employees and some larger businesses

- **The Paycheck Protection Program is a \$350 billion forgivable loan program for small employers, self-employed individuals, and “gig economy” workers** to help prevent workers from losing their jobs and small businesses from going under due to the COVID-19 pandemic. It will provide:
  - **8 weeks of cash-flow assistance through 100% federally guaranteed loans to small employers** who maintain their payroll during this emergency. If the employer maintains payroll and 75% of funds are used for covered payroll costs, then loans are forgiven. Other covered expenses include interest on mortgage obligations, rent, and utilities.
  - **The law is retroactive to February 15, 2020**, to help bring workers who may have already been laid off back onto payrolls.
  - Applications through local banks can be submitted starting **April 3** for small businesses and sole proprietorships and on **April 10** for independent contractors and self-employed individuals.
  - **Loan payments will be deferred for six months.** No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.
  - **Small businesses with 500 or fewer employees per physical location—including nonprofits, self-employed individuals, sole proprietorships, and independent contractors—are eligible for forgivable loans.** Franchise businesses normally excluded due to size are largely included in this relief.
    - Franchisees may access PPP loans so long as the franchisor is listed in the [SBA Franchise Directory](#).
    - Businesses can check to see if they qualify at: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>



# Relief for Small Businesses (Continued)

Fewer than 500 employees and some larger businesses

- **SBA is now accepting applicants for EIDL (Economic Injury Disaster Loan) loans for immediate loans of up to \$2 million.** Funds are available within three days of application. Proceeds can be used for expenses similar to those of the Paycheck Protection Program but not duplicating reimbursement for the two programs. Interest rates are 3.75% for small businesses and non-profits are also eligible at an interest rate of 2.75%
- **Emergency advance of up to \$10,000 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).** The grant does not need to be repaid, regardless of whether the applicant ultimately receives a loan.
  - **Advance payment may be used for** providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met.
- Employers with fewer than 500 employees starting April 1 are **mandated to provide emergency paid sick or family leave**, the cost of which is paid through a refundable payroll tax credit to the employer. Paid leave is not required to exceed more than \$200 per day and \$10,000 in the aggregate for each employee. The refundable payroll tax credit can also be used to continue paying health insurance premiums.



# Looking Ahead

There are talks of passing a fourth stimulus package when Congress returns after recess focusing on additional financial help for low- and middle-income Americans. Provisions may include more robust family and medical leave, particularly for those caring for a COVID-19 positive family member.

Other provisions under consideration are stronger OSHA protections for the labor force to minimize exposure to the virus, increases in SNAP and school meal programs, assistance for state and local governments hardest hit by the pandemic, and specific protections and assistance for healthcare workers.



THANK YOU

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