

On 6/5/2020 a new bill was signed pertaining to the Payroll Protection Program, the Paycheck Protection Flexibility Act of 2020. This bill made several important changes to the PPP that are outlined below.

1. The loan may now cover a 24-week period. Current businesses with a PPP loan can either choose to stay with the original 8-week period or elect a 24-week period. New borrowers will automatically have a 24-week period.
2. The ending date of the covered period has also been extended to December 31, 2020.
3. The required payroll expenses paid with the loan have been lowered **from 75% to 60%**.
4. Businesses now have 24 weeks to bring their number of employees and wages back to the levels they were at on February 15, 2020.
5. Exemptions were added to the number of employees and wages requirement that include:
 - a. If the employer offered employment to an employee who was laid off, but they refused to come back to work
 - b. If the employer is unable to find a qualified replacement for an employee who did not come back to work
 - c. If the business cannot operate at the same capacity as pre-pandemic due to compliance with health regulations related to sanitation, social distancing, and other worker and customer safety requirements made between March 1, 2020 and December 31, 2020
6. The loan repayment is now deferred until the lender is given the forgivable amount of the loan. The bill also added a clause stating that, if a borrower does not apply for forgiveness within 10 months of the last day of the covered period, the borrower must start repaying the loan.

Finally, we want to emphasize that PPP money is still available from the 2nd round of funding. You have until 6/30/2020 to apply for a PPP loan if you have not received one already. Please let your payroll provider know if you need assistance with the application process or email us if you have questions.