

Payroll Protection Program – Forgiveness Terms

<p>What?</p>	<ul style="list-style-type: none"> • All eligible expenses <ul style="list-style-type: none"> – Payroll: salary, wage, vacation, parental, family, medical, sick leave health benefits – Mortgage interest so long as mortgage was signed before 2/15/20 – Rent so long as lease in effect before 2/15/20 – Utilities so long as service began before 2/15/20 • Incurred over 24 weeks from the date the loan was disbursed to the borrower • Cutoff date: 12/31/2020
<p>Terms?</p>	<ul style="list-style-type: none"> • Loan forgiveness predicated on 60% of the loan being used for payroll. <ul style="list-style-type: none"> – Does NOT include payments to independent contractors – Forgiveness will be reduced proportionately based on the amount you spend on payroll if less than 60%. • Loan forgiveness predicated on maintaining employees <ul style="list-style-type: none"> – Compare full-time equivalent employees during the 8-week period following the loan disbursement to one of the following reference periods: <ul style="list-style-type: none"> ○ 2/15/19 to 6/30/19 ○ 1/1/20 to 2/29/20 ○ Seasonal employers: consecutive 12-week period 5/1/19 to 9/15/19 – Forgiveness will be reduced proportionately based on any reductions in force. – Exceptions: <ul style="list-style-type: none"> ○ Make good faith offer to rehire and employee rejected; ○ Employee was fired for cause, voluntarily resigned or requested a reduction in hours; ○ Make good faith certification unable to rehire or to hire similarly qualified employees; ○ Unable to return to same level of business activity on 2/15/20 due to compliance with standards or guidance related to COVID-19 issued by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupation Safety and Health Administration. – Safe Harbor: No reduction in forgiveness if restore FTEs by no later than 12/31/20 to the level that existed on 2/15/20. • Loan forgiveness predicated on maintaining wages or salaries of at least 75% of average pay <ul style="list-style-type: none"> – Forgiveness will be reduced proportionately for each employee whose average pay during the 8-week period is less than 75% of their average pay from 1/1/20 to 3/21/20. – Safe Harbor: No reduction in forgiveness if restore wages by no later than 12/31/20 to the level that existed on 2/15/20.
<p>Where?</p>	<ul style="list-style-type: none"> • SBA 7(a) Approved Banks and Credit Unions <ul style="list-style-type: none"> – Loan Forgiveness Application • Documentation is required to establish payroll, full-time employees, mortgage interest payments, rent and lease payments, and utility payments.
<p>More Information</p>	<ul style="list-style-type: none"> • US Chamber Small Guide to PPP Forgiveness • US Treasury Overview • Borrower Q&A

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