



CTR LEGISLATIVE UPDATE & TOWN HALL

Some Housekeeping Items:

- All participants have been placed on mute.
- All registrants will receive a follow up e-mail with a link to the recorded webinar and any training documentation.
- Stay updated and register for upcoming webinars on our COVID-19 INFO Center here: <https://ctrhcm.com/home/covid-19-information-center/>
- This training is intended for educational and informational purposes. We hope that you learn a lot but the information should not be construed as legal or tax advice.
- If you have any questions or want to request training, please e-mail training@ctrhcm.com

AGENDA

- COVID- 19 Legislative Updates
 - FFCRA Updates
 - PPP Loan Updates
 - Retention Tax Credit Updates
- Townhall Q&A



FFCRA RECENT FAQ UPDATES

April 1: the DOL released released a temporary rule (“the Rule) regarding the FFCRA. Since publication of the Rule, the DOL has issued some corrections to the Rule itself, and additional Q&A and the DOL recently updated the FAQ to add 5 additional Q&A guidance on areas of concern to employers.

Let’s discuss those 5 additional questions and guidance...

FFCRA RECENT FAQ UPDATES



The DOL provided guidance on the issues of joint employment and whether workers who provide services such as landscaping, cleaning and/or child-care in someone's home are covered by the FFCRA.

FFCRA RECENT FAQ UPDATES



The DOL follows that with FAQ #90 on joint employment and the FFCRA.

Specifically, the DOL points out that a worker employed by a staffing agency and a client company may have two opportunities to be eligible for FFCRA leave.

FFCRA RECENT FAQ UPDATES



The DOL next provides guidance on whether an employee who is able to telework would still be able to seek FFCRA benefits if their child's school is closed. In FAQ #91, the DOL tells employers that the employee's verbal or written statement that they are unable to work due to school closure is all employers can require even if the employee has been successfully teleworking from home since the outset of the pandemic. .

FFCRA RECENT FAQ UPDATES



In FAQ #92, the DOL clarifies that if an employee is seeking paid sick leave under the FFCRA, that the employee's own identification of his/her symptoms and a date for a doctor's appointment/test is sufficient to support the need for leave. Employers cannot require additional documentation to prove that the employee actually had an appointment or test which was done intentionally for employees to take leave and stop the spread.

FFCRA RECENT FAQ UPDATES



In FAQ #92, the DOL clarifies that if an employee is seeking paid sick leave under the FFCRA, that the employee's own identification of his/her symptoms and a date for a doctor's appointment/test is sufficient to support the need for leave. Employers cannot require additional documentation to prove that the employee actually had an appointment or test which was done intentionally for employees to take leave and stop the spread.

Finally, in FAQ #93, the DOL states that leave under FFCRA is not available simply because school is closed for the summer or any other non-COVID-19 related reason. However, employees are entitled to leave if their childcare provider or summer camp program are not available for a COVID-19 related reason.

FFCRA REMINDER



If you are using the FFCRA earning codes, you can view your FFCRA credits in iSolved!

Client ID: MaroieDemo - Maroie's Wine Comoanv Inc.	PAYROLL SUMMARY PREVIEW	Period Begin Date: 3/16/2020
Pay Group: Hourly EE	Margie's Wine Company Inc.	Period End Date: 3/29/2020
Check Date: 4/3/2020		Pay Period: 1
Run Date: 4/12/2020		Payroll Type: Regular Payroll

*** PAYROLL FUNDING ***

Debit Type	Bank Name	Transit Routing #	Bank Account #	Counts	Amount	ACH Debit
Checks	BANK OF AMERICA, N.A.	*****0196	*****7813	6	\$4,578.02	\$0.00
Direct Deposits	BANK OF AMERICA, N.A.	*****0196	*****7813	21	\$0.00	\$30,764.58
Totals:				27	\$4,578.02	\$30,764.58
Tax Liabilities	BANK OF AMERICA, N.A.	*****0196	*****7813		\$0.00	\$14,464.52
Tax Liabilities - Client's Responsibility					\$9.21 #	\$0.00
Third Party Checks	BANK OF AMERICA, N.A.	*****0196	*****7813	1	\$661.54	\$0.00
Third Party Electronic Payment	BANK OF AMERICA, N.A.	*****0196	*****7813	1	\$0.00	\$78.81
Payroll Billing	BANK OF AMERICA, N.A.	*****0196	*****7813		\$0.00	\$15.00
Tax Adjustment (FFCR Act - FMLA)	BANK OF AMERICA, N.A.	*****0196	*****7813		\$0.00	(\$1,479.14)
Tax Adjustment (FFCR Act - SickPay)	BANK OF AMERICA, N.A.	*****0196	*****7813		\$0.00	(\$1,417.40)
Totals:				2	\$670.75	\$11,661.79
Total ACH Debit:						\$42,426.37
Total Payroll Funding (all items):						\$47,675.14

-- Indicates Tax Amount Not Impounded - Client's Responsibility

FFCRA REMINDER



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Allotment	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00
Bonus	0.00	150.00	0.00	150.00	0.00	150.00	0.00	150.00
Overtime - Blen	34.27	1,393.49	34.27	1,393.49	34.27	1,393.49	34.27	1,393.49
NonTax Exp Reim	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00	0.00	1,500.00
Heart & Lung Fl	40.00	756.00	40.00	756.00	40.00	756.00	40.00	756.00
COVSick-EE-100	80.00	1,200.00	80.00	1,200.00	80.00	1,200.00	80.00	1,200.00
COVID-19 FMLA	80.00	1,260.86	80.00	1,260.86	80.00	1,260.86	80.00	1,260.86
Total Earnings	2,912.43	51,389.24	2,912.43	51,389.24	2,912.43	51,389.24	2,912.43	51,389.24
Memo Calculations	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars
ER Medical	0.00	17,603.20	0.00	17,603.20	0.00	17,603.20	0.00	17,603.20
ER Dental	0.00	1,080.00	0.00	1,080.00	0.00	1,080.00	0.00	1,080.00
StopLoss	0.00	1,726.27	0.00	1,726.27	0.00	1,726.27	0.00	1,726.27
EEMEDMonthly	0.00	323.26	0.00	323.26	0.00	323.26	0.00	323.26
401K Match	0.00	1,452.70	0.00	1,452.70	0.00	1,452.70	0.00	1,452.70
Med&Ben Fund	0.00	13,995.91	0.00	13,995.91	0.00	13,995.91	0.00	13,995.91
Union Gross	0.00	663.54	0.00	663.54	0.00	663.54	0.00	663.54
COVID19-QHlthSick	0.00	200.00	0.00	200.00	0.00	200.00	0.00	200.00
COVID19-QHlthFMLA	0.00	200.00	0.00	200.00	0.00	200.00	0.00	200.00
Total Memo Calculations	0.00	37,244.88	0.00	37,244.88	0.00	37,244.88	0.00	37,244.88

$\$1417.40 - \text{FFCRA-Sick Credit} =$
 $\text{Medicare Tax Credit} -$
 $1200.00 * .0145 = \$17.40$
 Plus
 $\$1200 - \text{Sick}$
 $\$200 - \text{Qual Health Exp}$

FFCRA REMINDER



If you are using the FFCRA earning codes, you can view your FFCRA credits in iSolved!

Client: MargieDemo - Margie's Wine Company Inc. Company: MargieDemo - Margie's Wine Company Inc. Status: Active Q Client Search

Business Credits iSolved University

Credit Type	Amount	Balance
FFCR Act - FMLA	1479.14	0.00
FFCR Act - SickPay	1417.40	0.00

Detail Transaction History

+ Add New Edit Delete Refresh Save Cancel

Credit Details

* Credit Type: FFCR Act - SickPay

* Total Credit Amount: 1417.4

Credit Previously Utilized: 0

Remaining Balance: 0

Date Entered: 4/12/2020

Notes:

Other Details

Qualified Employee Sick Payments: 1200.00

Employer Medicare Credit on Payments: 17.40

Qualified Employer Health Plan Expenses: 200.00

Request of Advance payment of Employer Credit:

* Filing Type: Form 941

* Pay Date: 4/3/2020

Payroll Summary-Tax Adjustment Line

EEOC DEADLINE EXTENDED



The EEOC has decided that any EEO-1 Component 1 Data Collection that occurs will not take place until 2021. The EEOC expects to begin collecting the 2019 EEO-1 Component 1 along with the 2020 EEO-1 Component 1 in March 2021 and will notify filers of the precise date the surveys will open as soon as it is available.

PPP LOAN UPDATES



May 13th- New Guidance Regarding Good Faith Certification of Necessity

Loans Under \$2.0 Million

New “Safe Harbor” “Any borrower with a loan that, together with its affiliates, is less than 2 Million will be deemed to have made the certification in good faith.

Loans Over \$2.00 Million

- These businesses have until May 18th to reassess their necessity for the loan in light of SBA Guidance. In general this guidance requires businesses to assess their ability to access other sources of liquidity sufficient to support their organization. Many law firms have recommended keeping a reliance file showing what FAQs, articles, internet searches, advice, and notes you used to make the decision to retain the funds. This should be updated again prior to May 18th
- FAQ 46 states that if the SBA determines that you did not meet the required certification of necessity the SBA will ask for repayment of the outstanding loan balance and the borrower is not eligible for loan forgiveness. **They will not pursue administrative enforcement or refer to author agencies (DOJ or SEC)– i.e. will not pursue civil monetary penalties.**

PPP LOAN UPDATES



Question 40 Posted on May 3, 2020

Your loan forgiveness will NOT be reduced if you laid off an employee, offered to rehire the employee, but the employee declined the offer

What you Need to Document:

- Offer must be in writing
- Offer must be for the same hours and wages
- Document the rejection of the offer by the employee

AICPA RECOMMENDATIONS REGARDING LOAN FORGIVENESS

Represent 44K CPAs

AICPA Recommendations Current As Of 4-28-2020



AICPA Recommendations PPP Application and Forgiveness Processes

The American Institute of CPAs, the AICPA-led Coalition, and other key stakeholders - collectively representing 44K CPA firms, 3.5M small businesses and 60M employees - have come together to drive a common understanding and approach around the implementation and execution of the U.S. Treasury and Small Business Administration Paycheck Protection Program (PPP).

Based on these collective discussions and our understanding of the intent of the PPP program, the AICPA is making the following broad recommendations for the PPP application and

AICPA RECOMMENDATIONS REGARDING LOAN FORGIVENESS

Aligning 8-Week Loan Period with Employer's Pay Periods

- Begin the 8-Week Period either the beginning of the payroll period during which funding was received, or the beginning of the next payroll period
- **Example:** Funding received on April 10th. Employer is on a semi-monthly pay cycle. Employer could start the 8-Week Covered Period on April 1 or April 16th



AICPA RECOMMENDATIONS REGARDING LOAN FORGIVENESS

Begin 8-Week Period when operating restrictions are lifted

The 8 Week Loan period should start once the stay-at-home orders or essential business restrictions are lifted.

Employer may use beginning of the pay period during which period which operating restrictions are lifted or the beginning of the next payroll period, at the employer's discretion.

AICPA RECOMMENDATIONS REGARDING LOAN FORGIVENESS

Definition of Full-Time Equivalent

- Define Full-Time Equivalent at 30 Hours– the same as under the Affordable Care Act
- For salaried or other employees who may not have recorded hours, they recommend using a “Wage Based Proxy.”

Example:

- If hours worked are not available, employees would be deemed an FTE if earnings are over \$217.50 – the Federal minimum wage x 30 hours a week [$\$7.25 \times 30 = \217.50].
Employees earning less than \$217.50 /week would be considered a pro-rated FTE; e.g., an employee that earns \$200/week would count as 0.92 of an FTE ($\$200/\$217.5 = 0.92$).

AICPA RECOMMENDATIONS REGARDING LOAN FORGIVENESS

Loan Forgiveness Reduction Based on Wage Reduction

- **Issue:** There is a reduction in loan forgiveness for any employee whose compensation is decreased by more than 25% from the 12-week quarter and the 8-Week covered period. 8 Weeks will have 33% less payroll due less weeks
- **Recommendation:** Would like to use an average payroll per employee per week
- **Issue:** There may be employees in Quarter 1 who are unable or unwilling to return to work
- **Recommendation:** Calculation should exclude employees who were not employed for the entire 8-Week Covered Period

EMPLOYEE RETENTION TAX CREDIT UPDATES



- Available to businesses who have not taken a PPP Loan or who have returned their PPP Loan
- IRS posted 94 FAQs with many calculation examples and scenarios

Frequently Asked Questions

- [General Information](#)
- [Determining Which Employers are Eligible to Claim the Employee Retention Credit](#)
- [Determining Which Entities are Considered a Single Employer Under the Aggregation Rules](#)
- [Determining What Types of Governmental Orders Related to COVID-19 May be Taken into Account for Purposes of the Employee Retention Credit](#)
- [Determining When an Employer's Trade or Business Operations are Considered to be Fully or Partially Suspended Due to a Governmental Order](#)
- [Determining When an Employer is Considered to have a Significant Decline in Gross Receipts](#)
- [Determining the Maximum Amount of an Eligible Employer's Employee Retention Credit](#)
- [Determining Qualified Wages](#)
- [Determining the Amount of Allocable Qualified Health Plan Expenses](#)
- [How to Claim the Employee Retention Credit](#)
- [Interaction with Other Credit and Relief Provisions](#)
- [Special Issues for Employees: Income and Deduction](#)
- [Special Issues for Employers: Income and Deduction](#)
- [Special Issues for Employers: Use of Third Party Payers](#)
- [Other Issues](#)

EMPLOYEE RETENTION TAX CREDIT UPDATES



How do you Qualify?

Your business must have been fully or partially suspended by government order due to COVID-19 during the calendar quarter

OR

Your gross receipts are below 50% of the comparable quarter in 2019. You continue to be eligible until the calendar quarter your gross receipts are above 80% of a comparable quarter in 2019. Once that quarter is complete, the employer is no longer eligible

How much can you Claim?

You may claim 50% of qualified wages (including allocable qualified health plan expenses) paid in a calendar quarter.

The maximum amount of qualified wages for ALL calendar quarters is \$10,000 which means the max credit for each employee is \$5,000.

EMPLOYEE RETENTION TAX CREDIT UPDATES



When is a Business Fully or Partially Suspended due to Government Order?

Restrictions on Essential Businesses

- If an essential business is allowed to remain open it does not qualify even if the government order had an effect on its business
- An essential business may qualify if the business's supplier are unable to make deliveries of critical goods or materials due to government order
- An essential business that is not required to close or suspend operations is does not qualify for the sole reason that its customers are subject to a government order requiring them to stay at home
- If a business's physical location must close but can still operate through telework comparable to prior to a government order then it may not be eligible



EMPLOYEE RETENTION TAX CREDIT UPDATES

- Employers with over 100 average FT employees in 2019 may only claim credits for wages paid to employee who were not providing services. A full-time employee is defined as an employee who had an average of at least 30 hours of service per week or 130 hours of service in the month
- An employer with over 100 Full-time employees in 2019 may claim the credits if an employee's work schedule is reduced but the employer continues to pay the employee their full wage.
- For employers with an average of over 100 full-time employees in 2019, the employer may not claim qualified health expenses that it paid for employees who were furloughed but the employer continued to pay health coverage

EMPLOYEE RETENTION TAX CREDIT UPDATES



EMPLOYEE RETENTION TAX CREDIT UPDATES



EMPLOYEE RETENTION TAX CREDIT UPDATES





ISOLVED COVID-19 UPDATES

WEBINARS TO COME



iSolved Did You Know Series: Reporting-COVID- 19 Special Edition

Wednesday, 5/20 @ 1pm – 2pm

Join us for the iSolved Did You Know Series on Reporting where we cover common reports, report writer and the COVID-19 reports available to you in iSolved.

MORE COVID-19 QUESTIONS?



Reach out to your CTR Support Representative or submit your question on our COVID-19 INFO PAGE to receive the answer to your most-pressing questions.

Don't see an answer to your question? Fill out the form below and we'll get back to you ASAP!

Name*

<input type="text"/>	<input type="text"/>
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First Last

Email*

What's on your mind?

0 of 500 max characters

From all of us at CTR

- Stay SAFE from COVID-19
- Stay SMART and INFORMED
- Stay KIND and support one another

To download informative and supportive COVID-19 posters & signs for your employees, please visit the World Health Organization @

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>