

Covid-19 Small Business and Employer Guide



Office of Congresswoman Kim Schrier, MD
Washington's 8th Congressional District

Updated July 16, 2020



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A Message from Congresswoman Kim Schrier

Dear Friend,

The coronavirus outbreak in our area has been distressing for many, including me, so I wanted to provide you with an update on where you can get information, and what you can do to protect yourself and your family. In this Resource Guide I have compiled information for business owners and workers who may experience difficulties in the days and weeks ahead. Please note that this is a general resource guide and the information within is not exhaustive. This guide is a compilation of existing federal, state, and county resources and is not intended to be the sole resource for those impacted by the COVID-19 outbreak. Because the situation is evolving, please check my website, <https://schrier.house.gov/coronavirus-outbreak> or call my office in Issaquah at 425-657-1001 for additional assistance.

I am continuing to monitor the situation of the COVID-19 outbreak in Washington state. As we transition to reopen business, please refer to state and local health standards. My staff will keep this resource guide updated as we get more information.

The best way to protect yourself and your family is to practice good hygiene habits and stay home unless necessary. Wash your hands often, don't touch your face, cough into your elbow, give yourself distance from people who are sick, and if you think you are sick, stay home and CALL your doctor's office first.

You can call my Issaquah office at 425-657-1001 if you have problems with a federal agency and need additional assistance. My staff and I are here to help.

Sincerely,

Kim Schrier, M.D.
U.S. Representative, WA-08



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Resources for Reopening

General Reopening Guidance

- **Safe Start Washington: Phased Reopening Plan**
The general and business-specific guidance of Washington’s “Safe Start” reopening plan.
 - [General Reopening Guidance](#)
 - [Reopening Guidance for Businesses and Workers](#)

General Health and Safety Guidance

- **Centers for Disease Control and Prevention (CDC)**
The CDC’s updated guidance on health and safety for businesses and community organizations.
 - <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>
- **Washington State Local Health Departments**
The Washington State Department of Health offers safety guidance specific to local health jurisdictions.
 - <https://www.doh.wa.gov/AboutUs/PublicHealthSystem/LocalHealthJurisdictions>
- **Washington State Department of Labor and Industries**
The Washington State Department of Labor and Industry offers insight on when to use face coverings and respirators at work.



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- <https://lni.wa.gov/forms-publications/F414-168-000.pdf>

Business Guidance and Loan Resources

- **Small Business Guidance for Washington State**
Frequently asked topics relating to business workers and COVID-19 in Washington State.
 - https://www.business.wa.gov/site/alias_business/1561/COVID-19-Business-Resources.aspx
- **Washington State Department of Health Resources**
The Washington State Department's resources and recommendations for COVID-19, including guidance for businesses and workers.
 - <https://www.doh.wa.gov/Emergencies/NovelCoronavirusOutbreak2020COVID19/ResourcesandRecommendations>
- **Small Business Guidance and Loan Resources, U.S. Small Business Administration**
The Small Business Administration's (SBA) loan resources and guidance for small businesses.
 - <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- **Guidance for Preparing Workplaces, Department of Labor and Occupational Safety and Health Act (OSHA)**
The Department of Labor's recommendations on health standards and safety for workplaces amidst COVID-19.
 - https://www.osha.gov/Publications/OSHA3990.pdf?utm_source=hs_email&utm_medium=email&utm_content=84557352&hsenc=p2ANqtz--3-2ANryzGsBLLxJgWLItrRD8eA8e8TjFbg5UnL3DoQsqfCKzo7TXdqBU_N6XrN8SbBAm-t1jcM5-3l5YDvFQgdWWSw&hsmi=84557352

Industry-Specific Guidance

- **Association for Washington Business (AWB)**
The AWB offers specific COVID-19 Resources for business employers.
 - <https://www.awb.org/covid-19-resources/>
- **Washington Hospitality Association**
The WA Hospitality Association offers COVID-19 Resources specifically relating to hospitality.
 - <https://hub.wahospitality.org/coronavirus-resource/>
- **Washington Retail Association**
The WA Retail Association offers COVID-19 Resources specifically relating to retail.
 - <https://washingtonretail.org/initiatives/covid-19-coronavirus/>
- **FAQS**



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Washington State has released specific responses to FAQs relating to businesses and the Safe Start Plan.

- <https://coronavirus.wa.gov/information-for/business/frequently-asked-questions-business>

The Coronavirus Aid, Relief, and Economic Security (CARES) Act

The CARES Act was enacted on March 27th, to provide immediate emergency relief to small businesses that are facing economic disruptions due to the Coronavirus (COVID-19). The Act created a forgivable loan program and an emergency grant program for small businesses and eligible nonprofits. To help navigate these new federal programs and access accurate information, please find below a compilation of resources.

Click [here](#) to access the Small Business Guide to the Coronavirus, which provides detailed information about each CARES Act program.

Paycheck Protection Program (PPP)

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp#section-header-3>

The Paycheck Protection Program (PPP) provides up to \$10 million in federally guaranteed, low-interest loans, to small businesses and eligible non-profits. Importantly, the loans can be 100% forgiven if borrowers rehire and retain employees in the 24 weeks following receipt of the loans. The Paycheck Protection Program was reopened on July 6, 2020. The new deadline to apply for the loan is August 8, 2020.

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (at least 60% of the forgiven amount must have been used for payroll). Loan payments will be deferred automatically for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. For more details on the requirements and process for loan forgiveness, please visit the [loan forgiveness summary](#) at SBA.gov.

This loan has a maturity of 2 years and an interest rate of 1%.

Who is eligible:

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)



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- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Sole proprietors, independent contractors, and self-employed persons

Apply: Contact your existing lender, or search for a participating lender [here](#).

Frequently Asked Questions

Q: How is forgiveness of the PPP loan determined?

A: Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000): payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus any covered utility payment.

Q: What are eligible costs for loan forgiveness?

A: Eligible costs include:

- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees

The following costs are not considered eligible payroll-related costs:

- Employee/owner compensation over \$100,000
- Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
- Compensation of employees whose principal place of residence is outside of the U.S
- Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

Q: Does PPP cover sick leave?

A: Yes, the PPP covers payroll costs, which include employee benefits such as costs for parental, family, medical, or sick leave. However, it is worth noting that the CARES Act expressly excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003



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of the Families First Coronavirus Response Act (FFCRA) (Public Law 116–127). Learn more about the FFCRA’s Paid Sick Leave Refundable Credit [here](#).

Q: What are the loan terms for any portion that is not forgiven?

A: Any loan amount not forgiven is carried forward as an ongoing loan with a maturity of 2 years and an interest rate of 1%. There are no loan origination fees or prepayment fees.

Q: How do I qualify for loan forgiveness on eligible expenses?

A: Borrowers will apply through their lenders for forgiveness by providing the following:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program’s guidelines for use

For more information about the Paycheck Protection Program guidelines from the Treasury, [click here](#).

Q: When does the 24-week period start?

A: The 24-week period starts on the date of your first payment from your PPP loan.

Q: How much should I apply for?

A: For most borrowers: The maximum loan amount is equal to 250 percent of your average monthly payroll costs from February 15, 2019 – June 30, 2019. If your business employs seasonal workers: you can elect to choose March 1, 2019 as your time period start date. If your business did not operate between February 15, 2019 – June 30, 2019: the maximum loan amount is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020. For all borrowers: the maximum loan amount is \$10 million

Q: Can I apply for both the EIDL and PPP programs?

A: Whether you’ve already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP.

Economic Injury Disaster Loans (EIDL)

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



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The SBA's EIDL program provides small businesses with working capital loans of up to \$2 million to help overcome a temporary loss of revenue due to COVID-19. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

Small businesses and eligible nonprofits can request an emergency advance up to \$10,000 (Emergency Economic Injury Grant Program), which does not need to be paid back. **As of July 11, 2020, however, funding for the emergency advance grant has been exhausted.** Eligible businesses can still apply for an EIDL loan.

Who is eligible: This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19. As of May 5, 2020, agricultural businesses are also eligible to apply.

Apply: Apply directly through the SBA [here](#).

Frequently Asked Questions

Q: What is the turnaround time on these loans?

A: Once a borrower submits an application, approval timelines depend on volume. The maximum timeline for approval is 3 weeks and disbursement can take up to 5 days after approval, but SBA is working to expedite this processing timeline. Borrowers will be assigned individual loan officers to service the loan.

Q: Can I apply for both the EIDL and PPP programs?

A: Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP.

Q: Are nonprofits eligible for EIDL loans?

A: Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under Sections 501(c), (d) or (e) of the Internal Revenue Code of 1954, or if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit organized or doing businesses under state law.

SBA Debt Relief Programs

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>



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The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months. The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020. Disaster loans (EIDL) are not eligible for relief under this program.

Frequently Asked Questions

Q: What do I need to do to access this relief?

A: Nothing—this is being applied automatically by SBA.

Q: Can I still apply for PPP if I'm receiving debt relief?

A: Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

Tax Relief

In addition to creating new direct grant and loan programs to support small businesses and nonprofits, the CARES Act also includes tax provisions that will further alleviate the financial burden of this epidemic on employers, including:

Employer payroll tax delay: Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees and requires that the deferred employment tax be paid over the following two years.

Employee Retention Tax Credit: Businesses that recorded a 50 percent loss in revenue could claim a 50 percent refundable payroll tax credit on wages up to \$10,000 per employee. Certain small employers with 100 or fewer employees get a 50 percent credit for all wages paid, regardless of whether they furlough their workers. More information here: <https://www.irs.gov/coronavirus/employee-retention-credit>

Student Loan Tax Exclusion: The bill allows employers to contribute up to \$5,250 tax free to their employees' student loans.

Net Operating Loss (NOL) Carrybacks: Allows businesses to offset taxes they have paid in the five past years against losses from 2018, 2019, or 2020, freeing up cash.

Qualified Improvement Property "QIP" Fix: Fixes a "drafting error" made in the Tax Cuts and Jobs Act of 2017 (TCJA) that increased the depreciation schedule to 39.5 years for retailers, restaurants, and other commercial real estate to write off the cost of improving the inside of their building (e.g. remodel for a restaurant, upgrade a store, etc.) and returns that schedule back to 15-years.

Corporate Alternative Minimum Tax (AMT) Acceleration: The corporate AMT was



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repealed in the TCJA. Previously, businesses had been able to earn credits they could use against the amount that they would owe under the AMT. These credits are good through 2021. This provision would allow businesses to take all their AMT credits in 2020 and lower their taxes owed next year, which frees up cash today.

Business Interest Limitation: Increases the current cap on deductible interest expenses from 30% of total income to 50% of total income, which frees up cash today by lowering a company's estimated taxes.

Washington State Department of Revenue (DOR)

DOR is taking measures to provide relief to COVID-19 impacted businesses during the state of emergency. These actions address a broad range of taxes and programs: business and occupation tax, real estate excise tax assessments, leasehold excise tax, forest tax, and tax deferrals for biotechnology and medical device manufacturing. Answers to frequently asked questions, date extensions, and updates will be posted online at <https://dor.wa.gov/about/business-relief-during-covid-19-pandemic>.

Counseling and Advising

Washington Small Business Development Center

Free business advising: <https://wsbdc.org/>

SCORE Mentorship

Connect with a local business mentor: <https://www.score.org/find-mentor>

Women's Business Development Center and Veteran's Business Outreach Center

Find local and specialized services here: <https://www.sba.gov/local-assistance/find/>

Minority Business Development Agency

Counseling and mentorship for minority-owned businesses:

<https://www.mbda.gov/about/whatwedo>

Other Resources and Services

Export Assistance for Businesses

The Washington State Department of Commerce's Export Assistance Team division can help companies identify alternative markets and provide firms with STEP Vouchers to defray the costs of trade show or trade mission fees, airfare, interpreter and translation services, business matchmaking, export training programs and more. Visit: www.commerce.wa.gov/promoting-washington-state/export-assistance or contact the Export Assistance team at 206.256.6100.



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Washington State Coronavirus Response | Business and Workers

The answer to many of your work-related or business-related questions will be found on Washington state's coronavirus response website at <https://coronavirus.wa.gov/business-workers>

Washington State Department of Labor & Industries

360-902-5798; online at <https://www.lni.wa.gov/>

Washington State Employment Security Department (ESD)

ESD has programs designed to help individuals and employers during this unprecedented time period. System upgrades are underway which will allow people to access critically needed unemployment assistance. 800-318-6022; online at <https://esd.wa.gov/newsroom/covid-19>

Washington State Office of the Insurance Commissioner

1-800-562-6900; online at <https://www.insurance.wa.gov/coronavirus-insurance-information-businesses>

- To be covered against any business losses due to a communicable disease, such as COVID-19, you would need to have purchased an additional endorsement to your policy.
- Contact your insurance agent or insurance company directly to find out if you already have this added coverage. If you don't have added coverage and would like to buy it, contact your insurance agent or company to see if it's available.

Working Washington Small Business Emergency Grants

<http://startup.choosewashingtonstate.com/covid-grants/>

Please note: As of May 7, this program is closed. Please continue checking this website for any updates.