

Coronavirus: Legal and Practical HR Guidance for Employers + PPP Updates – Live Webinar

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Bernstein Shur's Coronavirus Legal Response Team



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Agenda

- 1) Overview
- 2) PPP Updates
- 3) Questions and Answers



PPP Loan Forgiveness: 8 Weeks vs. 24 Weeks

- PPPFA extended 8-week forgiveness period to 24-week period (ending no later than Dec. 31, 2020)
 - Borrowers may still use 8-week period if they choose to do so.
- FTE Reduction Safe Harbor # 2 (for re-hiring to pre-COVID-19 levels) moved from June 30 to December 31.
 - Loan Forgiveness Application Form seeks FTE numbers "as of the earlier of Dec. 31, 2020 and the date the Application is submitted"
- Additional FTE Reduction Safe Harbor #1 added (based on good-faith documentation that borrower was unable to operate at pre-COVID-19 levels between Feb. 15, 2020 and end of chosen Covered Period due to compliance with federal COVID-19 guidance and requirements)
 - Loan Forgiveness Application does not explicitly provide for documenting this before "the end of the Covered Period."
- Other individual exemptions apply to both periods.



PPP Loan Forgiveness: 8 Weeks vs. 24 Weeks

- SBA's June 22 revision to loan forgiveness rules provides that borrowers may submit a loan forgiveness application "at any time" before loan matures **"including before the end of the covered period,"** if the borrower has used "all of the loan proceeds **for which [it] is requesting forgiveness.**"
- Loan Forgiveness Application still requires borrowers to select either an 8-week or 24-week "Covered Period."
- But, "FTE Safe Harbor 2" contemplates using loan proceeds *past 8 weeks*, and seeking forgiveness *before 24 weeks*:
 - Must show **reduction** in FTE between Feb. 15-April 26, **as compared to FTE during pay period that includes Feb. 15**
 - Must show restored FTE as of "**the earlier of Dec. 31, 2020 and the date the Application is submitted.**"
- Must still account for any individual *salary* reductions beyond 25% for covered employees over entire 24 weeks.



Q&A



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