### **The American Rescue Plan Act**

*Summary of select provisions related to the American Rescue Plan (ARP) Act of 2021*

On March 11, 2021, President Biden signed into law a comprehensive economic aid and relief package passed by Congress that addresses the public health and economic impact caused by the COVID-19 outbreak. The law allocates roughly $1.9 trillion in economic aid to individuals, governments, businesses, and others in addition to providing funding for urgent and targeted funding to defeat the virus and provide workers and families the resources they need to survive the pandemic while the vaccine is distributed to every American. Below are the key elements of the relief program:

* + 1. Direct payments of up to $1,400 for each individual/$5,600 for a family of four (2 child/adult dependents and married couple)
    2. Over $284 billion in small business loans, loan guarantees, and grants
    3. An expansion of unemployment insurance benefits
    4. Additional funds to support state and local governments and public health agencies

This document summarizes the portions that are most relevant to **individuals** and **small businesses** related to direct and small business aid, nutrition benefits, and healthcare. It includes information about the **financial resources available**, **eligibility requirements**, and **timeline for the resources**. This summary does not reference provisions related to local and state government aid.

The individuals section highlighted in the document comprises the one-time Economic Impact Payments (EIPs)

being provided to families, unemployment benefits for those impacted by COVID-19, additional assistance for families with children, and financial relief for renters and homeowners.

The small business section highlighted in the document focuses on paycheck protection programs, emergency economic injury grants, debt relief for existing and new SBA borrowers, and payroll credit tax information.

The document **includes** information on **how to apply or access the financial resources for some of the aid offered in the new law**. More information **will be shared and updated** as it becomes readily available from federal and state government entities.

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5. **INDIVIDUALS AND FAMILIES**
   1. **One-Time Economic Impact Payments-** Individuals who earned $75,000 or less in annual adjusted gross income will get a *one-time* direct payment of $1,400 each. Married couples earning up to $150,000 will receive $2,800. An additional $1,400 will be added to the payment for each dependent, including child and adult dependents. An eligible family of four would receive $5,600. The payment would scale down by income, phasing out entirely at $80,000 for individuals and $160,000 for a couple.
      1. **Eligibility Requirements:** 
         1. Must be a U.S. resident with annual adjusted gross income below the established thresholds
         2. Must have a work eligible social security number
         3. **New change:** Adult dependents who are at least 17 years old will also receive $1,400 stimulus checks. This includes college students, as long as they are claimed as dependents.
         4. <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>
      2. **Accessing EIPs**
         1. No action required for the vast majority of Americans. Payments will be distributed similarly to the first round of direct payments.
         2. IRS will use taxpayers’ most recently filed tax return (2020 tax return filed this year or 2019 tax return if 2020 has not been filed yet)
         3. Most payments will be delivered via direct deposit if the IRS has direct deposit information for a filer.
         4. **Important Note:** If your address has changed since your last tax filing, then please update it immediately! Otherwise the check will be mailed to your old address. (<https://www.irs.gov/faqs/irs-procedures/address-changes>)
      3. **Timeline:** While the exact timeline is still to be determined, checks are expected to arrive via direct deposit starting March 13th. Checks will be received by postal mail beginning mid-April.
      4. **FAQs - Stimulus Payments**
         1. **What if the income reported on my last tax return made me ineligible, but I anticipate being eligible because of a loss of income in 2020? Do I get a payment?** The plan does not help people in that circumstance now, but you may benefit once you file your 2020 taxes. You may be able to file for unemployment or apply for one of the new loans for small business owners.
         2. **If my payment doesn’t come soon, how can I be sure that it wasn’t misdirected?** According to the legislation, you will get a paper notice in the mail no later than a few weeks after your payment has been disbursed. You can find more information at a tool available at <https://www.irs.gov/coronavirus/get-my-payment>.
         3. **What if I haven’t filed tax returns recently? Will that affect my ability to receive a payment?** It could if you have not filed for tax year 2019. This could be accomplished for free online from home using the IRS Free file program (if you are eligible) (<https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>).
         4. **Is the one-time EIP taxable or will I have to pay back any amount?** No, EIP is treated like other refundable tax credits, such as the child tax credit and earned income tax credit, and not considered income.
         5. **Who qualifies as a child for purposes of the receiving EIP?** In general, a child is any dependent of a taxpayer. This now includes adult dependents 17 years and older.
         6. **Do dependents, other than children 16 years or younger, qualify a taxpayer for an additional $1,400 per dependent?** YES, adult dependents will receive an additional $1,400.
         7. **Are individuals with little to no income, such as SSI, eligible for EIP?** Yes, there is no qualifying income minimum requirement. Even individuals with $0 of income are eligible for a one-time, direct payment so long as they are not the dependent of another taxpayer and have a work-eligible SSN.
         8. **Are seniors whose only income is from Social Security eligible?** Yes, as long as they are not the dependent of another taxpayer.
   2. **Unemployment Insurance Provisions** 
      1. **Expansion of Unemployment Compensation Eligibility -** Many individuals who are traditionally not eligible for unemployment insurance benefits (e.g., self-employed, independent contractors, freelancers, gig economy workers, 1099 workers, limited work history, quarantine, part-time workers)and are unable to work as a direct result of the coronavirus public health emergency will be eligible for pandemic unemployment insurance compensation, as they were under the CARES Act last year, through September 6, 2021.
      2. **Increase in Unemployment Compensation Benefits** - Recipients of unemployment insurance or Pandemic Unemployment Assistance will receive an **additional $300 per week** on top of normal unemployment insurance compensation as determined by the individual's state, from March 14th, 2021 to September 6th, 2021.
      3. **Expansion of Duration of Unemployment Compensation -** While the duration of unemployment insurance benefits available to an individual varies by state, the law extends the maximum benefits by another 24 weeks, to a maximum of 74 weeks in some states, through September 6th, 2021.
      4. **New change - Unemployment Insurance Taxation:**  Individuals on unemployment will receive a tax break on the first $10,200 in benefits received in 2020. This provision applies to those with less than $150,000 in income in 2020. Although this federal tax break will be in effect, individual states may not include a tax break.
      5. Unemployment is not covered for new entrants to the workforce who cannot find a job, workers who are able to work from home, workers receiving paid sick leave or family leave
      6. Unemployment Insurance for COVID-19
         1. <https://www.dol.gov/coronavirus/unemployment-insurance>
         2. Identify your state and contact information for state unemployment benefits to start the unemployment benefits process
         3. **Federal and State Unemployment Insurance Information:** <https://www.dol.gov/general/topic/unemployment-insurance>
      7. **FAQs - Unemployment Insurance**
         1. **How much would I receive?** It depends on your state. Benefits will be expanded in a bid to replace the average worker’s paycheck. The average worker earns about $1,000 a week, and unemployment benefits often replace roughly 40 to 45 percent of that. The expansion would pay an extra amount to fill the gap. Under the plan, eligible workers would get an extra $300 per week on top of their state benefit. But some states are more generous than others. According to the Century Foundation, the maximum weekly benefit in Alabama is $275, but it’s $450 in California and $713 in New Jersey. So let’s say a worker was making $1,100 per week in New York; she’d be eligible for the maximum state unemployment benefit of $504 per week. Under the new program, she gets an additional $300 of federal pandemic unemployment compensation, for a total of $804, slightly less than her original paycheck. States have the option of providing the entire amount in one payment, or sending the extra portion separately. But it must all be done on the same weekly basis.
         2. **Are gig workers, freelancers and independent contractors covered in the legislation?** Yes, self-employed people would be newly eligible for unemployment benefits. Benefit amounts would be calculated based on previous income, using a formula from the [Disaster Unemployment Assistance](https://www.law.cornell.edu/cfr/text/20/625.6) [program](https://www.benefits.gov/benefit/597). Self-employed workers would also be eligible for the additional $300 weekly benefit provided by the federal government.
         3. **What if I’m a part-time worker who lost my job because of a pandemic-related reason, but my state doesn’t cover part-time workers? Would I still be eligible?** Yes. Part-time workers would be eligible for benefits, but the benefit amount and how long benefits would last depend on your state. They would also be eligible for the additional $300 weekly benefit.
         4. **What if my child’s school or daycare shut down?** If you rely on a school, a day care, or another facility to care for a child, elderly parent or another household member so that you can work and you are now unable to work because that facility has shut down due to coronavirus, you would be eligible.
         5. **I was about to start a new job and now can’t get there because of an outbreak.** You’d be eligible for benefits. You would also be covered if you were immediately laid off from a new job and did not have a sufficient work history to qualify for benefits under normal circumstances.
         6. **I had to quit my job as a direct result of coronavirus. Would I be eligible to apply for benefits?** It depends. Let’s say your employer didn’t lay you off but you had to quit because of a quarantine recommended by a healthcare provider, or because your child’s day care closed and you’re the primary caregiver. Situations like that are covered. But this provision wasn’t intended to cover people who quit (or want to quit) because they fear that continuing to work puts them at risk of contracting coronavirus.
         7. **The breadwinner of my household has died as a result of coronavirus. I relied on that person for income, and I’m not working. Would that be covered?** Yes.
         8. **How long would the payments last?** Many states already provide 26 weeks of benefits, though some states have trimmed that back while others provide a sliding scale tied to unemployment levels. The bill would provide all eligible workers with an additional 48 weeks. So participants in states with 26 weeks would be eligible for a total of 74 weeks. The total amount may be shorter in certain states. The extra $300 payment would last for approximately an additional two months, covering weeks of unemployment ending September 6th, 2021.
         9. **How long would the broader program last?** Expanded coverage would be available to workers through September 2021.
         10. **I’m already receiving unemployment benefits. Would I receive any help?** Yes. Even if you’re already receiving unemployment benefits for reasons unrelated to the coronavirus, your state-level benefits would still be extended by another 24 weeks. You would also receive the extra $300 weekly benefit from the federal government.
         11. **My unemployment recently ran out — could I sign up again?** Yes. If you’ve exhausted your benefits, eligible workers can generally reapply. But how much you may receive and for how long depends on the state where you worked. Everyone may receive at least another 24 weeks, along with the extra $300 payment.
         12. **Would this income disqualify me from any other programs?** Maybe. The additional $300 benefit would count as income when determining eligibility for means-tested programs, except for Medicaid and the Children’s Health Insurance Program, known as CHIP.
         13. **How long would I need to wait for benefits?** States have been incentivized to waive the one-week waiting period, but it’s unclear how long it would take to process claims — especially with state offices so strained by a flood of claims. If you do not hear back regarding your benefits for several weeks, reach out to your state representative’s district office and they should be able to help facilitate the process. Find your state representative [here](https://openstates.org/find_your_legislator/).
   3. **Tax Credit** 
      1. **Earned Income Tax Credit (EITC)**
         1. The earned income tax credit (EITC) provides an incentive for people to work. Many more workers without qualifying children will be able to claim this valuable credit, including both younger and older Americans.
         2. Tax filers beginning at age 19 may claim EITC as part of their tax filings. There is no maximum age cutoff to claim the credit.
         3. Maximum credit has been increased up $500 to $1,502.
         4. Filers with $11,610 or less in income in 2020 will receive EITC.
      2. **Child Tax Credit** - The Child Tax Credit has been expanded to $3,000 per child between ages 6-17 and up to $3,600 per child under 6. This is an increase of about $1,000 per age group and includes 17 year-olds for the first time. It is also now fully refundable and will be distributed in monthly installments, rather than as a lump-sum received as part of one’s tax rebate.
         * 1. The full amount will be issued to individual parents with annual incomes of $75,000 and to couples earning $150,000

The amount of benefits phase out as parents annual income rises

Parents who earn up to $400,000 per couple ($200,000 per individual parent) can still claim the previous maximum of $2,000 per child

* 1. **Relief for Homeowners, Renters, and Homeless Individuals** 
     1. **Renters, Homeowners, and Homeslessness Assistance:** The American Rescue Plan includes $21.55 billion in Emergency Rental Assistance to augment funds provided to states, localities, and territories in December to help families pay the rent and utilities and stay in their homes. The Assistance for people experiencing homelessness is allocating $5 billion to help communities provide supportive services and safe, socially distant housing solutions, including purchase of properties like motels for use as non-congregate shelter, to protect the health of these families and individuals and help control transmission of coronavirus.The bill provides $100 million to support households residing in USDA-subsidized rural properties and who are struggling to pay rent during the coronavirus
        1. **Eligibility and Application Process:** The eligibility varies based on the need for rental assistance, homeowners assistance, or homelessness assistance. Please view the Housing and Urban Development website. Select the program that you are interested in, review the eligibility criteria, and review the application process by state. <https://www.hud.gov/coronavirus>.
        2. **Note:** Individual state assistance programs supersede resources provided by the federal government; check with your state housing agency to explore the housing assistance programs they provide.
        3. **Homeowners** — Homeowners Assistance Fund will help homeowners in need pay overdue mortgage bills, taxes, insurance, and HOA dues. These funds will be distributed through [state Housing Finance Agencies](https://www.ncsha.org/housing-help/)
        4. **Renters** — Emergency rental assistance will be available through state and local governments. Check your state’s rental relief programs [here](https://docs.google.com/spreadsheets/d/1hLfybfo9NydIptQu5wghUpKXecimh3gaoqT7LU1JGc8/edit#gid=79194074)
        5. The Federal Housing Finance Agency (FHFA) announced February 9, 2021, the extension of the Fannie Mae and Freddie Mac moratorium on single family foreclosures from February 28, 2021, to March 31, 2021. The moratorium on evictions from single family homes owned by Fannie Mae or Freddie Mac also is extended until March 31, 2021.
        6. What loan do you have?:
           1. Fannie Mae Mortgage Loan Lookup: <https://www.knowyouroptions.com/loanlookup>
           2. Freddie Mac Loan Lookup Tool:

<https://ww3.freddiemac.com/loanlookup/>

* + - 1. More info: [The Mortgage Report](https://themortgagereports.com/64127/covid-19-stimulus-programs-help-for-homeowners-and-renters)
      2. Eligible households are renters who can demonstrate risk of homelessness or housing instability due to the pandemic. Households qualifying for rental assistance should apply through their own state and local governments directly.
      3. Assistance is prioritized for renter households whose incomes do not exceed 50 % of AMI as well as renter households who are currently unemployed and have been unemployed for 90 or more days.
      4. Financial assistance provided under this section is non-taxable for households receiving such assistance.
    1. **Emergency Housing Vouchers:** Emergency housing vouchers will transition high-need homeless and at-risk families, youth, and individuals, including survivors of domestic violence and human trafficking, to stable housing. The $5 billion included in the American Rescue Plan will provide a more stable platform to access health care, education, and jobs. Emergency housing vouchers will expire after these assisted families no longer need them.
       1. **Eligibility and Application:** The Section 8 vouchers are distributed by local housing authorities. Please visit the link to find the relevant housing authority for your state and city: <https://www.hud.gov/program_offices/public_indian_housing/pha/contacts>
  1. **Supplemental Nutrition Assistance Program (SNAP):**  SNAP, commonly referred to as food stamps, is the largest federal nutrition assistance program, provides benefits to eligible low-income individuals and families via an Electronic Benefits Transfer card. This card can be used like a debit card to purchase eligible food in authorized retail food stores. It provides $13 billion for food aid. The wew bill increases the monthly SNAP benefit level by 15% based on the June 2020 Thrifty Food Plan through **September 30**, **2021**.
     1. **Who’s eligible?:** People 18 to 50 years old who do not have children and are not pregnant can get SNAP benefits for 3 months in a 3-year period unless they are working or participating in a work or workfare program.
     2. How to apply for SNAP: You must apply in the state where you currently live. Because each state has a different application form and process, a member of your household must contact [your state agency directly to apply.](https://www.fns.usda.gov/snap/state-directory)
        1. You can contact your state agency by visiting your **local SNAP office**, visiting your **state agency’s website**, or **calling your state’s toll-free SNAP Information hotline**. Some states have online applications that can be completed from the state agency website.
        2. **If you are unable to go to your local SNAP office** **or do not have access to the internet**, you may have another person act as an authorized representative by applying and being interviewed on your behalf. You must designate the authorized representative in writing.
        3. SNAP FAQ: <https://www.fns.usda.gov/snap/recipient/eligibility>
  2. **Child, Aging and Disability Nutrition Programs**:
     1. **Pandemic Electronic Benefit Transfer** - USDA announced that it is increasing the P-EBT benefit, providing more money for low-income families and millions of children missing meals due to school and child care closures.
        1. **Eligibility and Application:** Please visit this link to find if your state is eligible and the application process. <https://www.fns.usda.gov/snap/state-guidance-coronavirus-pandemic-ebt-pebt>
        2. **EBT Cards:** Eligible school children receive temporary emergency nutrition benefits loaded on EBT cards that are used to purchase food. Children who would have received free or reduced price meals under the National School Lunch Act if their schools were not closed or operating with reduced hours or attendance for at least 5 consecutive days are eligible to receive P-EBT benefits.
     2. **Special Supplemental Nutrition Program for Women, Infants, and Children**: This program provides supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. state agencies are responsible for determining participant eligibility and providing benefits and services, and for authorizing vendors.
        1. **Eligibility:** 
           1. Women: Pregnant (during pregnancy and up to 6 weeks after the birth of an infant or the end of the pregnancy; Postpartum (up to six months after the birth of the infant or the end of the pregnancy); Breastfeeding (up to the infant's first birthday)
           2. Infants: up to the infant's first birthday
           3. Children: up to the child's fifth birthday
           4. Income: Applicants must have income at or below an income level or standard set by the state agency or be determined automatically income-eligible based on participation in certain programs (i.e. SNAP, Medicaid, TANF, AFDC)
           5. <https://www.fns.usda.gov/wic>
        2. **Application:** To apply, you need to visit your local state agency. Please find your state and nearest agency to your home on this website <https://www.fns.usda.gov/contacts?f%5B1%5D=program%3A32>
     3. **Child Care and Development Block Grant (CCDBG)** - The bill allocates $15 billion that can be used flexibly by states to support families with childcare, including for child care subsidies. ARPA gives states the authority to **expand eligibility for child care assistance to essential workers, regardless of their income.** The CCDBG funds will expand child care assistance to an estimated 875,000 children,
        1. **Eligibility:** All essential workers regardless of income can apply. Funding is distributed to the states. Jamati members are requested to check with their respective state health and human services agencies for more information on how to receive benefits.
        2. *Note: As more information becomes available, the document will be updated with additional resources.*
     4. **Low Income Home Energy Assistance Program (LIHEAP) and Water Relief -** The bill includes $4.5 billion for the Low Income Home Energy Assistance Program (LIHEAP), and $500 million for low-income water assistance. During the COVID-19 pandemic, and especially this winter, non-payment rates have skyrocketed for electricity, heating, and water utilities, posing a mounting risk of utility shutoffs in the middle of the winter, during a pandemic. Funding for LIHEAP and water utility bill assistance will provide vital support to help low income families meet their utility expenses.
        1. **Eligibility and Application:** Low income households that fall under the state requirement and impacted by loss of electricity, heating, water, and etc. during the winter months of the pandemic. Please view this link to find your state agency to apply for the benefits. <https://www.acf.hhs.gov/ocs/low-income-home-energy-assistance-program-liheap>

**G. Healthcare**

1. Reduces the cost of health care coverage for 9 million consumers currently receiving financial assistance by ensuring consumers eligible for premium tax credits have at least a couple plans to choose from that won’t cost more than 8.5% of their household income on their Marketplace plan premium per year.
2. **Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation coverage:** allows people who lose coverage under an employer health plan to purchase it through their employer-sponsored plans (for firms with more than 20 workers). Usually, this lasts up to 18 months. Typically, COBRA coverage is very expensive.
   * The ARP, as amended by the Senate, provides a federal subsidy of 100 percent of COBRA premiums for people who lose coverage because they are laid off or their hours have been reduced. The subsidies will be available from April to September 2021 and paid through tax credits to employers with self-insured plans and to insurers for insured plans. Premium subsidies are not considered taxable income to recipients.
3. **Marketplace subsidies**: The ARP also reduces the percentage of income that individuals must pay for health insurance to become eligible for subsidies, thus increasing both the amount of subsidies and the number of people potentially covered.
4. **Tax credits:** Americans who experienced income loss and fluctuations in 2020 or who received unemployment compensation they did not understand would be taxable may have tax credit overpayments. The rescue plan frees them from the obligation to pay these back. Many will have already paid their taxes; the IRS will have to determine how to return their money.
5. **Expanded Medicaid program:** 100% for states that opt to provide coverage to the uninsured for COVID-19 vaccines and treatment with no cost sharing, enhanced for states that want to expand Medicaid programs to cover mobile crisis intervention services for those experiencing mental health or substance use disorders, increasing the state’s base FMAP by 5% for 2 years if they expand Medicaid (currently there are 12 that haven’t)
6. **SMALL BUSINESSES**
   1. Small businesses are facing an unprecedented economic disruption and new law creates several programs in the U.S. Small Business Administration (SBA) and the Department of Treasury to alleviate economic burdens.To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate: [here](https://www.sba.gov/local-assistance/find/?type=SBA%20District%20Office&pageNumber=1)
   2. Quick Reference Guide to Navigate the Small Business Section
      1. **→** Capital to cover the cost of retaining employees?
         1. Then the **Paycheck Protection Program** might be right for you.
      2. **→** A quick infusion of a smaller amount of cash to cover you right now?
         1. You might want to look into an **Emergency Economic Injury Grant.**
      3. → To ease your fears about keeping up with payments on your pre-existing SBA loan?
         1. The **Small Business Debt Relief Program** could help.
      4. **Useful Resources:**
         1. Find Your Local SBA Field Office: <https://www.sba.gov/tools/local-assistance/districtoffices> or [PDF version](https://www.speaker.gov/sites/speaker.house.gov/files/SBA%20District%20Offices%20-%20Master%20List.pdf)
         2. Find an SBA approved lender: [https://www.sba.gov/funding- programs/loans/lender-match](https://www.sba.gov/funding-%20programs/loans/lender-match)
         3. Find Small Business Development Centers: <https://americassbdc.org/small-business-consulting-and-training/find-your-sbdc/>
         4. Find Minority Business Development Agency: <https://www.mbda.gov/index.php/mbda-programs>
   3. **Paycheck Protection Program (PPP) -** This program will provide 8 weeks of cash-flow assistance through federally guaranteed loans to small businesses and the self-employed (500 employees or fewer) who maintain their payroll during this emergency. While the loan can be used for many purposes, the portion used to cover payroll may be forgiven, if the small business maintains payroll for the 8-week period.
      1. **Best Sources:** 
         1. Treasury Department Page: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>
         2. SBA CARES Act Interim Final Rule: [https://home.treasury.gov/system/files/136/PPP--IFRN%20FINAL.pdf](https://urldefense.com/v3/__https://home.treasury.gov/system/files/136/PPP--IFRN*20FINAL.pdf__;JQ!!Dq0X2DkFhyF93HkjWTBQKhk!EfHHI1734BmkwylIHt8wDPyIe5AQFWGQ31GcLSxzSV2nrlEV0TsxBslgxa9JjdxpLFN-hR8g976iHwiqNRUdDQ$)
         3. Paycheck Protection Program FAQ: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>
            1. More Detailed References: See [Appendix A](https://docs.google.com/document/d/1iEwe2ES9kJUD0f2Xj_Zvo4--tORRHI7Z/edit#heading=h.uiyttkkxex9f).
      2. **Eligibility Requirements:** Sole-proprietors, independent contractors, and other self-employed individuals are eligible.
         1. Restaurant, foodservice, caterers, and hotels that employ not more than 500 employees per physical location of the business are also eligible to receive a single loan
         2. Up to $10 million.
         3. Maximum interest rate at 4%. No fees.
         4. Principal and interest is deferred for up to a year.
      3. If the employer maintains its payroll, then the portion of the loan used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven
         1. Additionally, any PPP received will not reduce the amount of EIDL funding that will be forgiven, which is a change from the CARES Act.
      4. **Timeline:** Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19. **Loans are available through March 31, 2021.** No extension to applications has been enacted as of yet, but legislation to extend the deadline is pending Congressional vote.
         1. Loans would be available immediately through more than 800 existing SBA-certified lenders, including banks, credit unions, and other financial institutions.
         2. *Note: If legislation is passed to extend the deadline, we will update the doc with the most current information.*
      5. **FAQs Paycheck Protection Program**
         1. **What types of businesses and entities are eligible for a PPP loan?** Any business concern that employs not more than 500 employees per physical location of the business concern
         2. **How is the loan size determined?** Depending on your business’s situation, the loan size will be calculated in different ways. The maximum loan size is always $10 million. If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period.
         3. **What costs are eligible for payroll?** Compensation (salary, wage, commission, tip), paid leave, payment of any retirement benefit.
         4. **What costs are not eligible for payroll?** Employee/owner compensation over $100,000 etc.
         5. **How do I get forgiveness on my PPP loan?** You must apply through your lender for forgiveness on your loan. In this application, you must include payroll documentation.
         6. **Where should I go to get a PPP loan from?** All current SBA 7(a) lenders eligible lenders for PPP. This includes most FDIC-approved banks and credit unions.
         7. **How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program (next section)?** Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients may apply for and take out a PPP loan as long as there is no duplication in the use of funds.
         8. **Are business expenses paid with PPP funds tax deductible?** Yes, business expenses paid with funds received through PPP are tax deductible. The second round of relief clarified that expenses paid with PPP funds already received are also eligible to be deducted from tax liability in addition to any expenses paid from new PPP funds a business may receive in 2021.
   4. **PPP 2nd Draw -**  Recipients of PPP during the first round may be eligible for **PPP 2nd Draw,** which provides a second, potentially forgivable loan of up to $2 million.
      1. **Eligibility Requirements:** The requirements to qualify for additional PPP loan funding include employing not more than 300 people, having used or will use the entire first round of PPP, and demonstrating at least a 25% reduction in gross receipts of a 2020 quarter relative to the same quarter in 2019.
      2. Loan amount forgiven may equal the sum of payroll costs, mortgage/rent, utility payments, covered operation expenditures, covered property damage costs, and covered worker protection expenditures. Cost allocation must be 60/40 between payroll and non-payroll costs.
   5. **Economic Injury Loans (EIDL) and Grants -** 
      1. **Eligibility**: If you have a small business with 500 or fewer employees, and you were harmed by COVID-19, you can apply for an Economic Injury Disaster Loan (EIDL) through the SBA website.
         1. <https://covid19relief.sba.gov/#/>
      2. **What exactly is an EIDL?**: EIDLs are loans of up to $2 million that carry interest rates up to 3.75% for companies, as well as principal and interest deferment for up to 4 years.
      3. **What exactly is an Emergency Economic Injury Grant?:** When you apply for an EIDL, you can request an advance of $10,000 on that loan. This advance is called an Emergency Economic Injury Grant. **This advance does not need to be repaid under any circumstance.** The advance must be used to keep employees on the payroll, pay for sick leave, pay for increased production costs, or pay any business debts, rent, or mortgage payments.
      4. **NEW: First EIDL Payment deadline extended by 18-24 months**
         1. Through ARP, payments for EIDLs distributed to businesses in 2020 are not due until 24 months after the date of the note. This is an extension from the initial 12-month grace period.
         2. For EIDLs administered in 2021, the due date is extended from 12 to 18 months after the original date of the note.
      5. **Tax Treatment of Certain SBA Programs**
         1. The ARP provides for the tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants. It also clarifies that any otherwise-allowable deductions continue to be deductible notwithstanding the taxfree treatment of grant proceeds.
      6. **FAQs Emergency Economic Injury Grants**
         1. **How do I know if my business is a small business?** Please visit https://www.sba.gov/size-standards/ to find out if your business meets SBA’s small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business’s 3-year average annual revenue.
         2. **Can you expand on who exactly is eligible for an EIDL loan?:** Those eligible are the following with 500 or fewer employees:

Sole proprietorships, with or without employees

Independent contractors

Cooperatives and employee owned businesses

Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of any size.

* + - 1. **Can you expand on who exactly is eligible for the Emergency Economic Injury Grant (i.e. the advance on the EIDL)?** Those eligible for an EIDL and who have been in operation since **January 31, 2020**, when the public health crisis was announced.
      2. **How long are Emergency Economic Injury Grants available?** TBA, the SBA will issue guidance in the coming days on the expected timetable for which to apply and receive funding
      3. **If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?** Whether you’ve already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant, you may also apply for a PPP loan. While previously an individual or business receiving a PPP loan who also received any advance through Emergency Economic Injury Grant needed to subtract the advance amount from the forgivable PPP funding, now **someone receiving both PPP and EIDL/Emergency Economic Injury Grant can have the entire PPP amount forgiven**.However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
      4. **How do I apply for an economic injury disaster loan?** To apply for an EIDL online, please visit https://disasterloan.sba.gov/ela/. Your SBA District Office is an important resource when applying for SBA assistance.
      5. **I am unfamiliar with the EIDL process, can anyone help me apply?** Answer: Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women’s Business Center, or SCORE mentorship chapter at https://www.sba.gov/local- assistance/find/.
  1. **Restaurant Assistance**
     1. ARP provides $28.6 billion in direct relief for the restaurant industry through the creation of a grant program, the **Restaurant Revitalization Fund**. Eligible restaurants may receive no more than the “pandemic-related” revenue loss of the applicant, which generally means the applicant’s 2019 gross receipts minus its 2020 gross receipts.
     2. Eligibility: Restaurants, food trucks, bars, and other similar establishments where owners (1) do not own or operate more than 20 units and (2) are not publicly traded companies.
     3. Application and additional information
        1. The program will be administered by the SBA. Please visit [www.sba.gov/coronavirusrelief](http://www.sba.gov/coronavirusrelief) for more information.
        2. *Note: As additional information is made available, the document will be updated to reflect changes.*
     4. **Tax Treatment of Certain SBA Programs**
        1. The ARP provides for the tax-free treatment of Targeted EIDL Advances and Restaurant Revitalization Grants. It also clarifies that any otherwise-allowable deductions continue to be deductible notwithstanding the taxfree treatment of grant proceeds.
  2. **Debt Relief for Existing and New SBA Borrowers -** This provision provides immediate relief to small businesses with standard SBA loans (e.g., 7(a), 504, microloans).
     1. SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for 3 months.
     2. While SBA borrowers are receiving the three months debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job.
     3. Borrowers deemed underserved after receiving three months of relief may receive an **additional five months** of payment assistance
     4. For more information about SBA loans (7(a), 504, and micro loans, please visit the SBA website).

## **State and Municipal Loan and Grant Programs**

* + 1. States and various municipalities are creating their own relief programs. Review state specific research documents for information specific to your clients’ areas of operation and recommend that they get in contact with local governments and trade organizations to find out about any additional programs that may be available at the local level.
    2. Compilation of research (with full sourcing): [*See State Specific Research Compiled Here.*](https://docs.google.com/document/d/1WlqJu_PwwEqQPp9JIcnn4E9TKFAAUWuM/edit)
    3. **State Specific Programs for Small Businesses:** <https://docs.google.com/document/d/1WlqJu_PwwEqQPp9JIcnn4E9TKFAAUWuM/edit>
  1. **Child Care Stabilization Funds**: The bill allocates $24 billion to states to award subgrants to qualified child care providers that are either open or temporarily closed to help support their operations during the pandemic. The subgrants can be used for expenses such as personnel expenses, rent and mortgage payments, cleaning supplies and personal protective equipment, mental health services for children and staff, and other goods and services necessary to maintain or resume operations of the child care provider. States may reserve up to 10 percent of grant funds for supply building, administrative, and technical assistance costs. The Child Care Stabilization funding will help sustain an estimated 449,000 child care providers, serving a total of 7.3 million children, for 6 months.
     1. **Eligibility:** The funding will be distributed directly to states. Jamati members should check with their respective state agencies for details on receiving these benefits.
        1. Subgrant recipients must certify that they will abide by state and local public health guidance, continue to pay their staff full wages, and provide copayment and tuition relief to families, to the extent possible, as a condition of subgrant funding.
        2. *Note: As more information becomes available, the document will be updated with additional resources.*

1. **BUSINESS PAYROLL** 
   1. **Payroll Tax Credit - Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship -** This provision would provide a refundable payroll tax credit for 70% of wages paid by eligible employers to certain employees. The total credit that may be claimed per employee is up to $14,000 after the new law’s passage.
      1. <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>
      2. **Eligibility Requirements for Credit:**
         1. Employer whose operations were fully or partially suspended due to COVID-19
         2. Employer whose gross receipts declined by more than 20% when compared to the same quarter in the prior year, down from 50%
      3. Businesses may use both PPP and the Employee Retention Tax Credit (ERTC)
      4. For employers with 500 or fewer full-time employees,all employee wages are eligible, regardless of whether an employee is furloughed.
      5. All employee wages qualify for the credit, whether the employer is open for business or subject to shut-down order
      6. Credit is provided for the first $10,000 of compensation, including health benefits, paid to an eligible employee
      7. **Eligibility Timeline:** The Employee Retention Tax Credit (ERTC) may now be claimed through the end of 2021. Deductions taken after June 30, 2021 will now apply against health insurance taxes
   2. **Delay of Payment of Employer Payroll Taxes -** This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020.
      * 1. The deferred employment tax will be paid over the following two years with half the amount required to be paid by December 31st, 2021 and the other half by December 31st, 2022.
2. **STUDENTS**
   1. **Emergency Financial Aid Grants:** $20 billion dollars of grants are being allocated by the government to help students with college costs and basic needs like food, housing, and health care. The funding is being disbursed to universities directly, so students are encouraged to check with their college in order to determine how they may request the funds.
      1. **Eligibility:** The emergency financial aid grants are no longer limited to students who are eligible for Title IV federal student aid, but it is unclear whether DACA students and international students are eligible.
   2. **Federal Loan Payments Pause:** The American Rescue Plan Act freezes payments on existing federal student loans through September 30th, 2021. No interest will accrue on these loans during the pause.
   3. **Student Loan Tax Breaks:** All student loan forgiveness is exempt from taxation through January 1, 2026. This covers government-held federal student loans, federally-granted FFEL-program student loans, and private student loans.
      1. Additionally, direct stimulus checks and child tax credits will not be considered taxable income for borrowers repaying student loans under an income-driven repayment plan.
   4. **PPP Relief Eligibility:** Business owners with defaulted or delinquent federal student loans are now eligible to obtain PPP relief.