

Understanding the updated Paycheck Protection Program

Helping business owners make sense of their options

Empire BlueCross is here to provide our customers with resources and information on the Paycheck Protection Program (PPP) loans designed to help businesses that have been impacted by COVID-19.

The American Rescue Plan dedicated an additional \$7.25 billion dollars to the Small Business Administration to support the PPP.

Additionally, the window for applications has been extended from **March 31, 2021 to May 31, 2021**, giving borrowers more time to access available funds. The extension applies to both first-time and second-time PPP loan borrowers.



First-time PPP loan borrower

Loan qualifications include:

- Businesses in operation on or before February 15, 2020.
- Businesses with 500 or fewer employees.
- Sole proprietors, independent contractors, and eligible self-employed individuals.
- Not-for-profits, including churches.



Second-time PPP loan borrower

Loan qualifications include:

- Businesses that are operational, and not permanently closed. If the business is temporarily closed or suspended, they may still apply.
- Businesses with 300 or fewer employees.
- Businesses that received the first PPP loan and have used or will use the full loan amount before the second PPP loan is received.
- Businesses that can show a 25% reduction in gross receipts between 2019 and 2020.

PPP funds can be used for:

- Payroll costs, including benefits.
- Uninsured property damage costs caused by looting or vandalism during 2020.
- Rent, mortgage interest, and utilities.
- Worker protection costs related to COVID-19.
- Certain supplier costs and expenses for operations.

The amount you can borrow



The maximum loan amount you may receive

\$100,000 cap per employee

÷ 12 months =

\$8,333.33 for a 12-month average payroll



Restaurants and lodging businesses may now apply for loans equal to

3.5x monthly payrolls

up to a maximum of

\$2 million

What to know about loan forgiveness

If you received a PPP loan under \$150,000, you need to complete and submit a one-page certification form to your lender to request loan forgiveness. The requested information on the certification form includes:

- The number of employees you were able to keep on your payroll.
- The estimated total amount of the loan spent on payroll costs.
- The total loan amount.

For loans of \$150,000 to \$2 million, you may not be required to submit documentation, but will be required to complete related certifications. Contact your lender for specific information.

Increasing access to underserved, minority, veteran, and women-owned businesses



The Small Business Administration is taking a number of steps to aid traditionally underserved communities. This includes:

- **\$35 billion** for new first-draw PPP minority, veteran, and women-owned businesses.
- **\$15 billion** and **\$25 billion** for first-draw and second-draw PPP loans, for borrowers with a maximum of 10 employees or for loans of less than \$250,000 to borrowers in low or moderate-income neighborhoods.
- **Dedicated assistance** to small lenders who can aid traditionally underserved communities.

Empire is here to help you navigate these challenging times

Please consult with a tax advisor when preparing for your business needs. You can also visit the [Small Business Administration](#) website for information on the Paycheck Protection Program.