



PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT – MAKING LOAN FORGIVENESS EASIER

..... • PREPARED BY •

ZINNER & CO. RECOVERY SPECIALISTS



zinner & CO.

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Management Consultants

Since 1938

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On June 3, the U.S. Senate passed the House version of the Paycheck Protection Program (PPP) Flexibility Act. The legislation has been sent to President Donald Trump, and he is expected to sign it into law in the coming days.

This is great news for many small businesses, as the act dramatically increases flexibility for the very popular PPP Loans. Here is a summary of what the PPP Flexibility Act offers:

- Increases time allotted to use the funds from eight weeks to 24 weeks.
- The amount that must be used on payroll costs has been decreased from 75 percent to 60 percent.
 - If borrowers do not spend at least 60 percent of the loan proceeds on payroll, none of the loan will be forgiven.
- Borrowers can now use the entire 24-week period to restore their workforce and wage levels to pre-pandemic levels. Previously, this had to be done by June 30, 2020 and this date has been changed to Dec. 31, 2020.
- If you do not restore your workforce, there are a couple of additional exceptions in the new bill, which still allow for full loan forgiveness.
 - These exceptions include not being able to find qualified employees or if you were unable to restore your business operations to Feb. 15, 2020 levels due to COVID-19 related operations restrictions.
 - Previous guidance already included exceptions if a terminated employee rejects a good faith written offer, as well as for employees fired for just cause, voluntarily resigned or voluntarily requested and received a reduction of their hours.
- The loan now has a five-year maturity date, rather than two years. The interest rate remains at 1 percent.
- The bill allows businesses, who took advantage of the PPP Loan, to also delay payment of their portion of social security taxes, which was previously prohibited under the CARES Act.

As has been the case in recent weeks, changes in legislation are moving very swiftly. We will continue to stay up-to-date on anything, which may impact our clients.

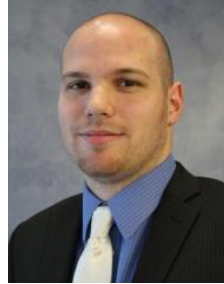
If you have any questions, please reach out to one of our recovery specialists.

CONTACT US

Zinner & Co. LLP, is here to help. If you have any questions or would like to talk to someone about ways you and/or your business can take advantage of these government support programs, please reach out to one of our Recovery Specialists:



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ABOUT ZINNER

In 1938, Harry Zinner had a vision for long term success. He founded a Cleveland-based bookkeeping firm that focused on integrity, commitment and a pledge to help individuals, not-for-profit organizations and closely-held companies grow and prosper, not just for today, but for decades to follow.

Today, Zinner & Co. provides tax, accounting and management advisory services to guide businesses from startup to succession planning and help individuals create a solid financial foundation.

Our Beachwood, Ohio office is home to a dedicated team of CPAs and management advisors that provide a full slate of services beyond traditional tax and accounting. Contact us to discover how we can help you achieve your greatest financial potential.

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