

CARES Act & PPP Round 2 Q&A



By Susan J. Markey | May 6, 2020

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Question Asked	Answer Provided
<p>So if I am understanding this... in simple forms... if I received \$10,000 through the PPP, I must pay all of that amount through Payroll within the covered or alternative covered period? If I spend all on Payroll expenses, which I would assume also includes tax liability expenses</p> <p style="text-align: center;">PPP=\$10,000 Payroll Expenses=\$7,500 Interest, Rent, Utilities=\$2,500 = TOTAL FORGIVENESS?</p>	<p>The entire amount of the loan may be forgiven if you expend it on eligible expenses during the covered or alternative covered period, meeting the test that no more than 25% of your expenditures can be on non-payroll expenses.</p>
<p>Can we count Employer paid FICA taxes in Forgiveness Loan??</p>	<p>The borrower's share of federal payroll taxes is not included in forgivable payroll expenses.</p>
<p>i have a part time employee that he was quit after i applied for the PPP, is that will affect our forgiveness portion of the loan?</p>	<p>If you can document in writing that he voluntarily resigned, you will be relieved from the reduction in forgiveness.</p>
<p>We received the loan on May 1st, 2020, we hire a sales manager that started work on May 18th, 2020, let me know if his salary is eligible to be included in this process to get the forgiveness of the loan?</p>	<p>Yes, any wages paid to a newly hired employee during the covered period is included as forgivable payroll.</p>
<p>What is included in Health Care Insurance Costs? i.e. Health Care Insurance, Dental Insurance, Vision Insurance, Disability Insurance</p>	<p>The guidance references "payment required for the provision of group health care benefits, including insurance premiums." This likely covers health,</p>

	dental, vision, but not disability insurance.
If I pay weekly, I should not have a problem Correct?	If you pay weekly, you can use the either the covered period or the alternative covered period and begin counting the 56 day period on the first day of the first pay period following the receipt of the loan funds.
Does 401k match payments count for forgiveness?	Borrower contributions to retirement plans appear to be covered by the application.
Do companies that rec'd EIDL advances, but did NOT apply for PPP Loan have to apply for loan forgiveness?	No. An EIDL advance is deemed to be a grant.
Have payroll costs confirmed that workers' comp, union fringe/dues are not considered payroll expenses?	Still unclear.
what is the PPP Schedule A?	Schedule A is where you calculate your payroll and compensation costs on the PPP Forgiveness Application
Are there any limitations on paying bonuses?	Not at this time. A bonus appears permitted, so long as the employee is not paid more than \$100,000 on an annualized basis (\$15,385 during the covered period).
Will rent payment to related parties be allowed?	This has not yet been addressed.
Under the initial PPP loan, utilities included transportation. Has that been removed from the category of utilities? Also please define if still a viable category.	Transportation is still included under utilities. The only guidance that has been given as to what this means is that it would include gas used in a business vehicle.
There was a question is cellphones were being covered under the utility category	It seems that since telephone is expressly included as a utility, that a business cellphone would also be covered.
originally the SBA was calculating an FTE based on 30 hours. Has that changed to 40?	Yes. The forgiveness application clarified that you can either i) divide hours worked by 40 hours to calculate an FTE, or ii) use 1 FTE for each employee working 40 or more and .5 for each part time employee.
When we track payroll costs /“group health care coverage” is that premiums only or can we include the 40% of out of pocket that the company reimburses to employees? (We have a high deductible policy and	The language references payment required for the provision of group health care benefits, including insurance premiums. It is not clear how this language will be applied.

<p>reimburse 40% of copays, deductibles and prescriptions.)</p>	
<p>I have so many questions still. More technical questions.... Our loan was funded on a Friday. Which is our normal payday weekly. So would we need to pay our 8th week payroll a day early?</p> <p>What do they consider "utilities?" Does Telephone land lines and fax lines, Internet services, cell phone services, garbage, gas, electric, janitorial services, etc. qualify?</p> <p>Did they decide what is considered for transportation?</p> <p>We pay rent at 3 locations, one of the locations is actually rent paid to another business that our CEO works out of. Would that rent qualify?</p> <p>Also, what about ESOP retirement plans. Would those qualify for forgiveness?</p> <p>Payroll do we deduct employee garnishments and insurance premiums the company does not contribute too?</p>	<p>You are permitted to include payroll incurred during the period and paid by the next following payroll date after the end of the 56 days period. Proceeds used to pay for electricity, gas, water, transportation, telephone, or internet access ("Covered Utility Payments") are eligible for forgiveness, so long as service began prior to February 15, 2020. No further clarity has been given. For transportation, the application references a single example stating that gas used in a business vehicle would qualify. The application references business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 ("business rent or lease payments"). It is unclear whether there will be a prohibition on rent to related parties. The language references Payment of any retirement benefits- if the borrower is paying the retirement benefits during the period, they appear to qualify. The application references gross wages, which is presumably not reduced for garnishment and employee paid premiums.</p>
<p>If you receive PPP funds on 4/20 and you make an equipment lease payment for April on 4/25 for April, is the full amount of the payment eligible for forgiveness even though covers period prior to funding? And another clarification if you pay rent for June on 6/1 is the full amount eligible even though the end of the covered period is 6/14?</p>	<p>An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period.</p>
<p>If employer pays dental insurance and vision insurance, are those considered health insurance costs?</p>	<p>Payment required for the provision of group health care benefits, including insurance premiums are forgivable; It seems likely that dental insurance and vision insurance would be covered by this language.</p>

<p>if lease equipment for construction jobs is all that part of rent calculation also?</p>	<p>Business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 are covered.</p>
<p>Can advance rent cost be paid during the "Covered period" to cover the cost of future rent cost (months) after the covered period?</p>	<p>No prepayments are permitted.</p>
<p>Are Union Health and Pension payments for employees covered? These are paid monthly to Union -how best to document for forgiveness if covered?</p>	<p>Payment required for the provision of group health care benefits, including insurance premiums and payment of any retirement benefits are covered. It appears these payments are covered. The application indicates that payment receipts, cancelled checks, or account statements should document the amount of any employer contributions to employee health insurance and retirement plans.</p>
<p>What is the definition of "payroll costs"? Is that all gross wages?</p>	<p>The application references gross payroll. Prior guidance indicates payroll costs includes: salary, wages, commissions, or similar compensation (including the employee's share of federal payroll costs); payment of cash tips or equivalent; payment for vacation, parental, family, medical, or sick leave; allowance for dismissal or separation; payment required for the provision of group health care benefits, including insurance premiums; payment of any retirement benefits; and payment of state and local tax assessed on the compensation of employees.</p>
<p>So if we included our 1st paycheck date after we received funds, which was actually incurred the week before we received the funds, this is acceptable? As long as we have 8 weeks worth of paychecks?</p>	<p>Per the application, borrowers are generally eligible for forgiveness for the payroll costs paid and payroll costs incurred during the eight-week (56-day) Covered Period (or Alternative Payroll Covered Period) ("payroll costs"). Payroll costs are considered paid on the day that paychecks are distributed or the Borrower originates an ACH credit transaction. Payroll costs are considered incurred on the day that the employee's pay is earned. The costs you are referencing were not incurred during the period.</p>

<p>If we pay our monthly office lease early, would that be considered forgivable? Basically, if we have 3 months of lease payments.</p>	<p>Prepayments are not permitted.</p>
<p>We had an employee resign in February which is making us short 1 employee. But because the employee resigned, we should not be reduced. Correct?</p>	<p>Yes, if you have adequate documentation that this was a voluntary resignation, your forgiveness should not be reduced.</p>
<p>On Schedule A line 9 asks for owner's wages. Are they not already included in Box 2 Schedule A worksheet?</p>	<p>It is not clear based on the instructions.</p>
<p>I have looked at the application. Forgiveness shows smallest of: lines 8,9, or 10 - Line 10 is Payroll @ 75% - this would not include the non-payroll items from my understanding. And never includes non-payroll costs? Am I missing something? Where do you include those except on the Lines 8? It would not be less than total including payroll as figured above. Please clarify.</p>	<p>This is not yet entirely clear.</p>
<p>If a company advanced some pay to an employee last week, who is paying it back out of his regular paychecks in the coming months, This advance of pay would count as payroll costs wouldn't it?</p>	<p>It is not entirely clear how an advance would be treated at this time.</p>
<p>What costs are included as Eligible nonpayroll costs that would be defined as Transportation?</p>	<p>The only guidance provided indicates that gas used in a business vehicle would be a transportation expense.</p>
<p>On the PPP loan application, I put the total number of employees instead of the number of FTE. The numbers are significantly different. The FTE is 11 and the PT is 222 and I put 233 on the question that asked how many employees you have. How will this affect forgiveness?</p>	<p>If you provide an explanation of this, I find it unlikely to be problematic.</p>
<p>Are all shareholders who are employees regardless of how many shares are owned considered owner-employees?</p>	<p>Yes, there is no distinction provided based on amount of ownership.</p>
<p>How are they dealing with the union benefits? They are upwards of \$25 per hour that I pay along with their hourly wage</p>	<p>The guidance references "payment required for the provision of group health care benefits, including insurance premiums." If these benefits are in the nature of group health care payments, they are likely covered.</p>

<p>Say I use the covered period of when funds disbursed, 4/23. My next pay date is 5/1 for pay period 4/4-4/17. Would this be covered because it was paid after the disbursement of the funds? I am confused if they are looking at the date it was paid or if it looks at the dates the employees are being paid.</p>	<p>Borrowers are generally eligible for forgiveness for the payroll costs paid and payroll costs incurred during the eight-week (56-day) Covered Period. If the payroll is pay during the period it appears to be covered.</p>
<p>If I have an employee that earns more than 100k annually, do I need to reduce the amount of forgiveness for this employee? If so, by how much?</p>	<p>You can only include them at the level of \$100,000 and no more than \$15,385 can be forgiven during the 8-week covered period.</p>
<p>If we are getting and taking a credit for any FFCRA payments and tax, etc. made, then do we need to reduce the amount of forgiveness for these amounts of the credits?</p>	<p>The instructions clarify that payroll does not include leave covered by the Families First Coronavirus Response Act.</p>
<p>If I was funded on the same day that I paid employees for a pay period that was entirely before my covered period began, are the payments made on my funding date eligible for forgiveness?</p>	<p>Yes, if you chose to use the Covered Period.</p>
<p>If an employee was paid for one pay period but didn't actually work during the covered period, how do you average their hours for the FTE calculation?</p>	<p>It is not entirely clear.</p>
<p>When preparing FTE calculations for the prior periods, do you include weeks when the employee did not work at all for purposes of averaging his/her hours?</p>	<p>It is not entirely clear.</p>
<p>How is the June 30 safe harbor calculated? Would it be average weekly FTE for the pay period including 6/30?</p>	<p>It appears to be calculated based on the number of FTEs on June 30.</p>
<p>We received loan April 15th in the middle of a pay period. The next pay period starts April 18th so the 8-week period ends on June 12th. Our normal payday for the payroll on June 12th would be the following week on Wednesday, June 17th. Since the 8-week period ends on June 12th, do I have to issue checks June 12th or is it okay to issue checks on our regular scheduled pay date which is June 17th. Thank you</p>	<p>You are permitted to include payroll incurred during the period and paid by the next following payroll date after the end of the 56 days period.</p>
<p>Is the 75% payroll cost based on what you're asking to be forgiven or is it based on the entire loan amount. We got our loan the first week it was available when not much info was available and I believe our loan is more than needed.</p>	<p>It is based on the amount you are asking to be forgiven. At least 75% of the eligible expenses incurred in the 8-week period must be for payroll.</p>

<p>For an employee that makes over \$100,000, how much of their retirement contribution is forgivable?</p>	<p>Cash compensation of up to \$100,000 on an annualized basis is included. The application indicates that employer contributions to defined benefit or defined contributions retirement plans are not subject to the limitation.</p>
<p>The FTE calculation: what if the number you provided when you applied wasn't by the same definition?</p>	<p>Without reviewing your application, I cannot be sure, but generally the number of employees listed on the application was for confirming eligibility under the 500 employee test, and the total number of employees should be included, even though a different number is used for the forgiveness calculation. Also, as you made the calculation on a good faith basis based on the information available at the time, I do not expect you would be punished.</p>
<p>Are bonuses paid during the 8-week period part of the forgiveness calculation and go towards the 75% of payroll costs?</p>	<p>Thus far, there is no indication that a bonus could not be provided, so long as the wages and bonus do not exceed \$100,000 on an annualized basis.</p>
<p>Can I reduce the FTE headcount on the measured period by employees that resigned or quit prior to the measured 8-week period as they were not replaced?</p>	<p>The application indicates that the number of FTEs during the covered period can be reduced by individuals who voluntarily resign.</p>
<p>If payroll is monthly, can you do a separate payroll to pay each employee the \$15,384.62 for employees who earn over \$100,000 per year?</p>	<p>No more than \$15,385 in cash compensation paid to employees during the covered period can be forgiven. You can pay this in whatever manner is most convenient.</p>
<p>If my payroll is semi-monthly on the 15th and 31st, but my 8 weeks ends the Sunday before month end, can I just do an early payroll? For example, do a payroll on the 26th of the month instead of the 31st just to ensure its included in forgiveness.</p>	<p>You are permitted to include payroll incurred during the period and paid by the next following payroll date after the end of the 56 days period.</p>
<p>If the employer pays monthly pension contributions can part of the PPP loan funds be used to make a pension contribution for the employees?</p>	<p>Payment of retirement benefits, included contributions to defined benefit or defined contribution plans, during the covered period are eligible for forgiveness.</p>
<p>How do you calculate the FTE when they work 40 hours a week from Jan-March but 32 hours per week after that, i.e. a CPA firms who works full time during tax season but then less hours after that?</p>	<p>As a seasonal employer, the average number of FTE employees can be calculated using any consecutive twelve-week period between May 1, 2019 and September 15, 2019. I would suggest using a base period of employees working 32 hours to compare to your covered period.</p>

<p>If annual pension is made, can you make a contribution now for a portion of the contribution</p>	<p>Payment of retirement benefits, included contributions to defined benefit or defined contribution plans, during the covered period are eligible for forgiveness.</p>
<p>We are required to show pay documentation for employees, but other COVID (FMLA, etc.) related covered benefits are not to be included in the PPP loan forgiveness. How do you show the correct pay documentation, when there are technically 2 different tax calculations on each check?</p>	<p>I suggest building a spreadsheet pulling the correct numbers which ties to the paychecks but splits these amounts.</p>
<p>Clarification: One paycheck includes PPP covered pay and FMLA covered pay. How do we correctly show pay stubs to reflect the correct amounts for each?</p>	<p>I suggest building a spreadsheet pulling the correct numbers which ties to the paychecks but splits these amounts.</p>
<p>In an S Corp or C Corp- does the owner count as an FTE?</p>	<p>While it is clear that \$15,385 paid to owners during the covered period can be forgiven, it is not clear which section of the form should reflect these owners.</p>
<p>Regarding payroll, our last pay period within the 8-week cycle ends on Saturday, June 20. This payroll will be processed the following week (outside the 8-week period). Can this payroll be included in the forgiveness amount?</p>	<p>Yes, you are permitted to include payroll incurred during the period and paid by the next following payroll date after the end of the 56 days period.</p>
<p>Regarding rent and utilities: is the rule expenses paid or incurred OR is the rule expenses paid and/or incurred? For example, can 3 utility payments be included in the 8-week period (2 being paid during the 8 weeks and the third being the payment after the 8 weeks for utility expense incurred during the 8 weeks).</p>	<p>The application references utility and lease payments during the Covered Period, for business utilities for which service began before February 15, 2020. An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Thus, all three payments would be covered.</p>
<p>What about truck and gas payments for companies that have to drive to customer premises for the work. Example: carpet cleaning??</p>	<p>Unclear at this time. The only definition given to transportation expense at this time is gas used in business automobiles.</p>
<p>Is interest on business loan payments deductible? Someone buying the company, in the 2nd year of payments.</p>	<p>Interest on real estate or other secured debt can be forgiven if the interest: was first incurred prior to February 15, 2020; is on real or personal property (i.e., the statute seems to cover interest on secured credit lines, etc., even if they are secured by something other than real</p>

	estate, provided the other requirements are met); and Is the borrower's liability;
Is workman's comp insurance considered a payroll cost includable in the 75%?	This remains unclear.
If self-employed sched C no employees and received 10,000 of PPP. Can all of that be taken as payroll in the 8-week period? Should a check be written out of business account for each check and written to owner saying payroll PPP?	Self-employed persons are entitled to owner compensation replacement calculated by multiplying your net income in 2019 on the Schedule C by 8/52 (or 0.154).
Not clear how EIDL can be forgiven. Seems it just turns into PPP loan amount. Is that true?	No. An EIDL advance is deemed to be a grant and is forgiven, but the amount is subtracted from your forgiveness amount.
If EIDL turns into PPP loan, then is it subject to 1% interest payable in 2 years or 2.75-3.75% interest payable in 30 years?	N/A.
Person I spoke to at SBA, said EIDL can be used on working capital expenses only (other than rent, utilities etc.) in order to be forgiven. Is that true?	EIDL is not forgivable, other than the advance which is a grant.
On another webinar, they were saying that for example an Scorp owner employee (no other employees) who received \$10,000 PPP could only take 10000 x 52 weeks=192.30 X 8 weeks could only take \$ 1,538.40 of wages in that period that could be forgiven. Is that true?	Each individual is entitled to receive not more than \$15,385 during the covered period. The SBA has not yet clarified how this applies to S corporations.
If we typically make an annual discretionary profit-sharing contribution, would this be allowable and applicable in full or 8/52?	If you make the contribution during the 8 week period, and it does not result in cash compensation that amounts to more than \$100,000 per year, it should be allowable under current guidance.
Regarding utilities - is there any guidance that states that the cost for internet service and cell phone service can be included?	Proceeds used to pay for electricity, gas, water, transportation, telephone, or internet access ("Covered Utility Payments") are eligible for forgiveness, so long as service began prior to February 15, 2020. This appears to cover business cell phones.
Does the employer portion of the retirement for employees making greater than \$100,000 need to be adjusted?	Total cash compensation cannot exceed \$100,000 on an annualized basis. If the contribution is made to a defined benefit or defined contribution plan, it is not included in cash compensation.

can we prepay expenses like rent/utilities through the end of the year during the 56-day period in order to max the 25% for non-payroll expenses?	No prepayments are permitted.
Can the cost of temporary workers used to supplement regular staffing levels during the 8-week period be included as a payroll expense?	Yes, if they are paid directly by the borrower.
Our payroll runs on the 15th and last day of each month. We received funding on 4/20 per your example. Our last payroll will be 6/15. You demonstrated that the 56 day ends 6/15. If we use option #1, are we able to use the payroll from 6/15?	Yes, you are permitted to include payroll incurred during the period and paid by the next following payroll date after the end of the 56 days period.
Is trash disposal considered a utility under the PPP?	Proceeds used to pay for electricity, gas, water, transportation, telephone, or internet access ("Covered Utility Payments") are eligible for forgiveness, so long as service began prior to February 15, 2020. No additional clarification has been given.
I have a rent payment due quarterly. It does not fall into the 8-week period. Can I write a check within the 8-week period to cover 8 weeks of rent if it's not the 'normal' arrangement?	Yes, if it is for rent during the covered period
Employees working fewer than 20 hours per week still count as .5 FTE?	If you elect to use the simplified method, you use 1.0 for each employee working 40 hours or more and .5 for each employee working less.
Do business automobiles and trucks count toward forgiveness as interest on personal property and/or lease payments?	Prior guidance indicated that interest on automobiles can be forgiven; The Application indicates that lease payments for real and personal property can be included.
Can you include interest payments on leased company cars?	Yes, if the lease is secured by the car.
Can you include employer retirement contributions for a profit-sharing plan that are paid in the following year?	No. Instead, a prorated amount should be paid during the covered period.
Can you use interest on vehicle loans?	Yes, if the loan is secured by the vehicle.
Incurred rent, utilities, and interest probably will not fall within the exact 56 days do you have to prorate, or can you just use 2 months' bills paid during the 56 days?	It has to be paid in covered period or the next regular billing cycle.

One part of the application for forgiveness asks for employees at time of loan and forgiveness application and on the Schedule A worksheet it asks for Average FTE. Are they really looking for 2 different sets of numbers?	Yes. Schedule A is addressing FTE during the covered period.
How can I provide a 2nd qtr. UI report in June when I won't run it until July?	If the report is not available, you can provide other documentation.
Our payroll is weekly. Can I simply use the payroll amounts for the 8 paydays during the eligibility period?	Yes, if you chose to use the covered period.
Do phone and internet expenses qualify as utility expenses?	Yes.
Is a Profit-Sharing Plan considered a retirement plan?	This is unclear at this point.
Has there been a definition of utilities? power, water, gas, propane, internet, phones	Covered utility payments include business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020
can owners of c corp include health care cost paid by corp	No, payments for owner's health care cannot be included.
can owners of c corp pay themselves more than previous year and have it included in forgiveness as long as it doesn't exceed 100K/yr. avg	There is not currently any guidance saying that you cannot do this.
the new rules seem to indicate that almost another full payroll cycle would be included in forgiveness. as long as paid by next payroll cycle. for example, Loan received 4/22. first payroll May 1, then may 15, may 29j, June 12, June 26. alternative period would be May 1 to June 25. therefore, if paid as scheduled on June 26 then 9 of the 10 days paid would be forgivable	If the next pay period includes pay for time worked during covered period, yes, that time can be forgiven.
If I have an employee that works 3 days a week due to weather, but has 8 regular hours each day and 2 overtime hours each day, how do I calculate the FTE?	If you elect to use the simplified method, you use 1.0 for each employee working 40 hours or more and .5 for each employee working less; If you use the other method, you divide the total number of hours worked by 40.
Last year our employees worked overtime. This year we are not. So how is that going to affect our FTE calculation? Our worker work 40 hours per week.	If you elect to use the simplified method of counting each employee working 40 hours or more as 1 FTE, it should not result in a reduction.
What about loan interest for machines or trucks?	If the loan is secured by the vehicle, it is an eligible expense.

<p>We received our loan on 04/17/20. Our payroll date (check dated was 04/21/20) for the payroll for week of 04/10-04/16. Is this payroll period covered under the loan? Very confusing, thank you for the webinar.</p>	<p>Yes, payroll paid during the period is covered.</p>
<p>Can my company's annual discretionary contribution to the 401K plan be included in the forgiveness calculation if paid during the 8-week period?</p>	<p>If it is paid during the period, it appears that it can be included.</p>
<p>My company is a Sub-chapter S corp. The owners are paid wages that are reported on a W-2. Do the health insurance premiums paid on behalf of the owners get lumped into wages for the 100K limit calculation? Can they be considered separately? The owners are part of a group health plan.</p>	<p>Unclear at this point.</p>
<p>My employee works on commission, currently we don't have enough work for him to make his minimum. He will receive more money on unemployment so requested we wait to rehire him once we have more work so he can make more than his minimum. What do we do?</p>	<p>Your forgiveness will be subject to reduction unless he was voluntarily seeking a reduction in hours and you can establish that by documentation.</p>
<p>If I run PR weekly, on Thursdays. Can I run my last PR within the 8-week period a day early to include a 9th PR?</p>	<p>To the extent it covers wages earned during the period, it would be eligible for forgiveness</p>
<p>What happens if you have a mix of pay periods? Some are monthly, some are weekly.</p>	<p>The application does not clarify how this should be treated.</p>
<p>I received my funds on 4/21, I am going to use the covered period method so if my payroll incurred dates are 4/15-4/21 and pay date is 4/24, the entire payroll is considered forgiven, correct?</p>	<p>Yes.</p>
<p>I received my loan on April 13th. I had already paid rent on April 1st for the month of April. Do I get to include rent for April 13 - April 30 since it was incurred during the Covered Period?</p>	<p>An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. This was paid before the covered period.</p>
<p>We reimburse employees for mileage for their own vehicles. Can we count this as a "payroll cost"? The "transportation" under non-payroll costs appears to be for gas for a business owned vehicle.</p>	<p>This is unclear at this point.</p>
<p>Our load funded on 4/17/20. Our payroll dates started 4/13/20 and paid after the</p>	<p>The application references eligible payroll costs incurred or paid during the</p>

funding date (4/30/20). Can we count the days before the funding date?	Covered Period or the Alternative Payroll Covered Period.
Should we count Memorial Day and July 4 holidays as part of the 56-day period?	Yes, there is no listed exclusion for weekends or holidays.
What about expenses incurred but not able to be paid yet i.e.: June union benefits not payable until July 1st	If it is an eligible payment for the provision of group health insurance premiums and is paid on the next regular pay cycle, it is likely eligible for forgiveness.
If an employee was working 40 or more hours per week and is now being paid 30 hours for "non work weeks" how will that impact forgiveness calculation?	This could result in a reduction in forgiveness, in comparing your average FTEs during either i) the average number of FTEs employed per month during the period between February 15, 2019, through June 30, 2019; or ii) the average number of FTEs employed per month during the period between January 1, 2020, through February 29, 2020, to the 8-week covered period.
Is the FTE calculation based on 6/30/20 levels or interim levels?	You compare the 8-week covered period to your selected base period (Jan 1, 2020 - Feb 29, 2020, or Feb 15, 2019 - June 30, 2019). However, you are relieved from reduction in forgiveness if you bring your FTE numbers up or restore salaries by 6/30/2020.
If our loan date is 04/17/2020 and our first payroll date after is 04/24/20 (for weeks ending 04/05&04/12) would this be the first payroll used under the alternate calculation? Or would it be the 05/08/20 payroll which covers period ending 04/19&04/26, which includes the loan date of 04/17?	If you use the alternative covered period, you begin counting on the first day of the first pay period following funding. This is the 5/8/20 period.
Regarding rent payments and PPL-we pay our rent early-we paid our May rent before we got our funding on April 22nd. Do you think we should claim that May rent when applying for forgiveness even through it was paid before we got the funding-or should we use June and July rent payments which will be PAID within the 8 week period.	Eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. You should use the rent payments paid during the covered period and for rent incurred during the covered period and paid on the next regular billing date.
For a union company, the health benefits are due by the 15th of the following month,	If it is paid on the next regular payment cycle, it should be forgivable even if it is after the covered period.

does that need to be paid earlier in order to be forgivable?	
If you didn't furlough any employees and you have a couple of employees that only work 30 hours a week, does that mean that you now can't include them in the 75% payroll calculation? We included them when we calculated the amount of our PPP loan.	You can include them in the calculation by calculating the total number of hours worked, divided by 40.
Does the PPP loan cover expenses pay to temp employee's agency?	Unclear.
Is Worker's Comp considered an "other expense" for payroll that we can include as a payroll expense in our claim for forgiveness?	Unclear. Some commentators feel that if it is a state-administered program, it would be exempt as a state and local tax.
Under the "Eligible Nonpayroll Costs" it lists covered utility payments..."payments for a service for the distribution of ...transportation...would that include employee mileage being reimbursed for our construction business? What does the definition of "transportation" include?	The only guidance provided indicates that gas used in a business vehicle would be a transportation expense.
Our loan proceeds were received in May 6 and we paid payroll on May 7th. Will the May 7th payroll be paid out from the PPP loan proceeds? So, it is unclear if the payroll expenses are on a cash basis or accrual basis. The May 7th payroll date covered the pay period April 16th - April 30th. Thank you!	Yes. If you use the alternative covered period, the 56-day period begins on May 7, and is included as an eligible expense.
We lease fitness equipment. Would that be a covered expense?	Yes. Lease expenses for real or personal property are covered.
We are a management company and one of our clients ended their contract during the covered period. This created a decrease in the employee head count. Will this be counted against us as this was not in our power to make the decision about the employment of these employees?	It is unclear. You may have an argument that this was a voluntary resignation, but it is not entirely clear.
What if you were a partnership but applied to be an S Corp during COVID19 but didn't have the approval to be an S Corp by the date you got your funding... For partner comp do you consider yourself to be partner or S Corp?	If the effective date you selected on the S corporation election predates the covered period, you should treat the entity as an S corporation. If it post-dates the covered period, you should treat yourself as a partnership.
What documents/how to calc partners comp if there is not a monthly comp listed	You use your 2019 self-employment earnings as reported on your K-1 then multiplied by 0.9235.

in partner agreement? Won't know partnership results until year end.	
Can more than 2% shareholder(officers) in a Sub S include their portion of health insurance and match on 401(k) as an amount to subject to forgiveness?	Not clear, but health insurance benefits paid for owners are unlikely to be covered. The 401(k) match may be covered as a retirement benefit.
How do the actual # of FTE employees compare from/to?	You compare average monthly FTEs during either the covered period or alternative covered period to the base period, which can be either i) Jan 1, 2020 - Feb 29, 2020, or ii) Feb 15, 2019 - June 30, 2019. You may be relieved from forgiveness if you fall under the safe harbor by increasing to the same number of FTEs on June 30, 2020.
We had a new employee start the day before we received our PPP funds, but didn't get paid until the 2nd payroll after that. Since they weren't actually paid on the 1st payroll of our 8 weeks, can we count them?	Yes, they are still part of the average monthly FTE count.
What if you counted a 30-hour employee as 1 on the application that you now need to count full time as 40. You most likely cannot change the application. If it is the same employee, could you not count them the same as you did on the application	This is something you should discuss with your lender. Since you made the calculation based on the information available at the time, I think it is likely you could make this correction in good faith.
The simple first page of the application asked, "How Many Employees do you have"? We had then but one was very part time. Is that the number of employees they will use, or will they ask how many full time employees did you have and how many did you rehire?	See the attached Schedule A and Schedule A worksheet for the calculation method.
We pay prevailing wage; most employees make more than \$100K / yr. How will this affect us?	You will only be eligible for forgiveness of \$15,385 per employee during the 8-week period, even if they are paid more.
what if you have a bi-monthly payroll the new rules did not address this.	You use the 56 covered period beginning on the funding date.
the alternative pay period does not account for this you still need to prorate the payroll.	Use the total eligible payroll costs incurred or paid during the Alternative Payroll Covered Period
Can bonuses be included as part of payroll expenses?	There is no indication that bonuses cannot be included, so long as they do not result in annualized compensation in excess of \$100,000 on an annualized basis.

Which expenses qualify as utilities?	Electricity, gas, water, transportation, telephone, or internet access.
When is the forgiveness paperwork due?	Unclear at this time.
Is the Alternative Covered period applicable to an employer with semi-monthly pay schedule (e.g., paid on the 15th and last day of month)?	No, pay must be bi-weekly or more frequent to use the alternative covered period.
Our PPP disbursement was split on two different dates. Do we calculate our 8 weeks on the first date of the first half of the disbursement? Do we have two different start dates?	The eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower
Has there been any clarification about EE's who received pay equivalent to over \$100K annually for "any single pay period" in 2019? For Example, what if you have an EE who received a bonus in 2019 that meant their pay for that pay period was more than \$3,846 bi-week (\$100,000/26 pay periods = \$3,846). Would they be considered exempt for the 75% pay reduction rule?	Their payroll can only be included at the level of \$15,385 during the covered period.
Can the either Paid OR incurred guidance be applied to payroll expenses as well as other expenses? For Example, during the original 8-week period you cut 4 bi-weekly paychecks with the first paycheck relating to pay periods that cross over the beginning date of the 8-week period. Then at the end, you could have a week or so incurred within the original 8-week period that would be paid on the first paycheck following the 8 week period. (forgiveness for 9 weeks of pay... 4 bi-weekly paychecks + 1 week of incurred expense at the end).	The application indicates that you use total eligible payroll costs incurred or paid during the Covered Period or the Alternative Payroll Covered Period. You are also permitted to include payroll costs incurred during the period and paid on the next pay period.
What if you cut an actual rent check for a future month, making it a "paid" expense within the 8-week period. Could you get that forgiven as well as your normal rent payments (usually 2 months' rent inside 8 weeks)?	An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Prepayments are not permitted.
so is interest on vehicles something we can include in the forgiveness calculation	Yes, if the loan is secured by the vehicle.
What if the employee is sick during the period, and off of work?	Payment for sick leave or medical is included in the definition of forgivable payroll.

If a company has a profit-sharing plan, can a contribution to the plan be considered as a payroll expense if it is made during the covered period	Payment of retirement benefits are covered so this appears to be covered.
If my loan was deposited on 4/17, can I include the payroll that ended the week of 4/17?	If the funds were disbursed before the payroll was drawn, yes.
What about leased vehicles forgiveness?	Interest on vehicle loans is a forgiven expense, if the loan is secured by the vehicle.
Did they clarify transportation costs	Transportation is still included under utilities. The only guidance that has been given as to what this means is that it would include gas used in a business vehicle.
I am confused. If the forgiveness is on payroll costs incurred OR paid, why would the payroll dates be such an issue. IF you PAID a payroll during the 8 weeks, it shouldn't matter if the payroll was insured partially before the day the PPP money was dispensed to the borrower, right??	Correct.
We own our building, can we use property taxes in place of the rent?	Unclear at this time.
I'm confused, probably misread many things, is it possible to have 100% of our loan forgiven? The forgiveness calculation example made it look like if the company met the 75% on payroll, then the whole amount could be forgiven.	The whole amount of the loan can be forgiven, if you spend all of the proceeds during the covered period on eligible expenses and if you meet all of the other tests.
We have a 401k plan that includes a Safe Harbor match, a profit-sharing match and a cash balance plan match – these are actually funded in September – but can we use the accrued match percentage in our forgiveness calculation?	No, not unless it was funded during the covered period.
What is the threshold or calculate an employee that makes over 100K, same with local and state tax?	\$15,385 during the period is the maximum payment of cash compensation during the covered period per employee.
Is local and state tax include ER med and SS?	The application clarifies that "state and local tax" as applying to state unemployment insurance.
What can be included in interest? Credit card interest. auto interest?	Interest on secured credit is included if it was: i) first incurred prior to February 15, 2020; ii) is on real or personal property (i.e., the statute seems to cover interest on secured credit lines, etc., even if they are secured by something other than real estate, provided the other

	requirements are met); and iii) is the borrower's liability.
If we laid-off 2 employees and not offer to rehire but positions have been replaced, is this forgiven?	Yes, there was no reduction in FTEs if the positions were filled.
75% includes gross correct?	The 75% applies to total eligible payroll expenses.
so, if I am short on non-payroll exp and do not go over my loan amount, would an 80/20 split on forgiveness work?	If you spend more than 25% on nonpayroll expenses during the eligible period, you will only get forgiveness for nonpayroll expenses in an amount equal to payroll expenses multiplied by 33.33%.
Would a weekly payer be able to potentially deduct 9 weeks of payroll? The first week would be paid but the incurred wk. was actually prior to the covered period (assuming 1-week lag in pay). The last week would be incurred but not paid until the following week.	Unclear if this would be permitted.
Does the retirement contribution have to be related to the covered period? I.e. we make annual profit-sharing contributions to employee's retirement plans on an annual basis.	The language references payment of any retirement benefits during the covered period, so if it was made during the covered period, it appears covered.
It may be me misunderstanding, but you keep referring to incurred as in use, not incurred as in payment. Electricity is incurred on the day of use, where my understanding was the expense or payment was considered date incurred, similar to cash basis. Define incurred, please? And, what form of documentation is required validating "incurred" expenses, both payroll and utilities?	An expense is incurred when it is used. Payroll statements require a copy of bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees and tax forms. Business utility payments require copy of invoices from February 2020 and those paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
I received loan \$10,000. I spent \$6,000 for payroll, \$1,000 for eligible expenses, and \$3,000 for other non-eligible operation expenses in the 8-week period. Can you tell me how much of the amount can be forgiven?	Since you did not meet the 75% test, the \$6,000 will be forgiven and \$1,000 for eligible expenses. (This presumes there is no reduction of FTEs or salaries.)

I am in agricultural business. I have hourly employees on my regular payroll. I also pay a labor contractor for service when I need more workers in busy season. Is this contracted labor expense count toward payroll?	Independent contractors are not included as they can apply for loans on their own.
If we have a semi-monthly payroll, we will need to change to a bi-weekly pay?	Yes, if you would like to use the alternative covered period.
What is you pay health and pension payments as part of a Union monthly and you don't pay them until the end of June on the 1st of July and your covered period ran through 6/20/20? Would those payroll costs be considered from 6/1/20 - 6/20/20	This payroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period.
Our company is on a bi-monthly pay plan, Not sure how to calculate the payroll expenses. Any idea or advice	You begin calculation of the 56-day period on the date you receive the funds.
we have a profit sharing plan that is fully funded by the company are those payment be used for loan forgiveness?	If it is paid during the period and does not result in cash compensation in an annualized amount in excess of \$100,000, it can be included.
are 401K match included in allowable payroll expense?	If it is paid during the period it appears that it can be included.
We are a Union Employer. What union escrow (Pension, Annuity & Health) is allowed to be included in the payroll expenses. If we received our loan April 20th and the Union was paid for April Hours in May, will those funds be forgiven?	Yes, it appears they would be covered.
We were funded on 4/14/2020 and had our first payroll on 4/17/2020. We included the 4/17/2020, but now it sounds like we will be able to also include our payroll on 6/12/2020, as the bi-weekly pay period ends on 6/06/2020. Are we able to include both payrolls or do we need to choose one or the other?	If you use the alternative covered period, you begin counting on the first day of the first pay period following funding, to begin counting the 56 days. If there is pay at the end that was incurred but not paid, you can pay it by the next regularly occurring pay date.
why is only mortgage interest a part of forgiveness and not the principal?	This was a policy decision by Congress. The concept of the loan was to pay carrying costs for the covered period.
What does would fall under utilities?	Covered utility payments include business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020
What if your a staffing company....regarding FTEs	There is not any guidance for staffing companies.

Hello, so for the payroll compensation is it gross payroll that they are looking for as far as the forgiven amount or is it calculated minus taxes? I am trying to get an idea on what will be forgiven	The borrower's share of federal payroll taxes are not included in forgivable payroll expenses.
What is the deadline date to submit the forgiveness application... immediately after the end of the 8-week period or before the standard October 2020 deadline?	No deadline has been established yet.
We calculated our Payroll Cost based on a 40-hour week, but our employees have worked several Over Time Hours. So our Payroll Expenses will be well over 75% of our PPP Loan. I am "assuming" this will not be held against us in the Forgiveness Loan Amount, and if anything, will help us in the Loan Forgiveness Amount. Can you please verify.	It is permitted to spend more than 75% of the eligible expenses during the covered period on payroll.
Our loan funded on 04/17/20. We had payroll on that date. We pay weekly. Can we only include 8 actual pay dates? If we pay our employees one day early at the end of the 56 days, we could actually fit 9 pay dates in the 8-week period.	Prepayment are not permitted.
Does interest on vehicle loans count towards the interest payments?	Yes, if the loan is secured by the vehicle.
Is the state and federal U/E Taxes eligible for payroll expenses?	The application clarifies that unemployment insurance is considered is included as a state and local tax imposed on payroll and is eligible.
Is a monthly rent/lease payment for equipment used daily for the business a covered expense	Yes, if the lease is secured by the property.
We have workers that are full time delivery people but if they finish their deliveries early they have the option to clock out and leave therefore they do not make a full 40 hours. Do I have to pay them 40 hours to have them qualified as full time for the PPP loan?	Yes, an FTE has to work 40 hours or more.
on the personal property leases that are included in the forgivable expenses do leases for vehicles qualify?	It is not clear based on the instructions, but it appears to be included because it is a lease of personal property.
Please discuss why the EIDL grant reduces the amount of PPP forgiveness. The EIDL grant can be used for other (non PPP) obligations and isn't restricted to the 8 week period.	It is unclear why that policy decision was made.

<p>So are you saying that if we choose Covered Period and our rent and utilities are paid the 1st of the month we can prorate the rent and utilities cost?</p>	<p>Without knowing your loan funding date, I can't answer this question. If rent and utilities are paid or incurred during the period or incurred during the period and paid by the next regular billing date, they should be covered.</p>
<p>Does the PPP allow employers to cover the 1/3 of pay when employees are on FMLA and receiving only 2/3 their pay?</p>	<p>FMLA would not be a covered expense, but payroll paid to employees would be covered.</p>
<p>Our 8 week ends 1st week of July - how will that impact the allowable expenses? Is there an answer yet for the definition of transportation, does this include fuel & tolls? is there an answer yet as for Workers Compensation being an allowable Payroll cost? What about Assoc monthly dues as part of rent? Will rent/utilities have to be prorated if funded on the 11th?</p>	<p>Transportation is still included under utilities. The only guidance that has been given as to what this means is that it would include gas used in a business vehicle. Most commentators feel that workers compensation will not be included. Rent needs to be paid or incurred during the period.</p>
<p>are owners paid through payroll considered an FTE?</p>	<p>If the business is an S or C corporation, yes.</p>
<p>Since payroll is allowed forgiveness if paid or incurred, if you have a one week lag in your biweekly payroll date payment would this indicate that you would get to claim 9 weeks of payroll? * weeks paid and the one week lag that was incurred but not paid?</p>	<p>Unclear at this point.</p>
<p>We had one employee pass away during the covered period - confirm that this is included in "left voluntarily" - I am not trying to be flippant or callous, but this seems to fit the intent</p>	<p>It is not entirely clear but this does appear to fall in the intent of the rule.</p>
<p>Payroll taxes are paid on a return at the end of Q2, which is the end of June. Our 8 week end date is before the end of the quarter. Would I be expected to send an interim payment to state unemployment department BEFORE I actually file the quarter end return? Thanks, Diane</p>	<p>If it is paid by the next regular payment date, it seems like an eligible expense.</p>
<p>In Washington State, Worker's Comp is run by the State of Washington. Is Worker's Comp considered to be a "state payroll tax?" Thanks, Diane</p>	<p>It is not clear but there is a strong argument that it is a state and local tax.</p>
<p>Some of my expenses: telephone, utilities etc. are paid by Credit Cards. Do you go off of the date you paid them or when you pay your credit card.</p>	<p>The date you paid the expense is the date it is incurred.</p>

We pay lease payments for vehicles and equipment. Is this personal property payments	Yes, they appear to be lease payments for personal property.
If there are "extra" payroll funds remaining at the end of the 56 day period, can an employer pay a bonus to employees to maintain the 75% rule?	A bonus can be paid so long as it does not result in any employee receiving cash compensation in excess of \$100,000 on an annualized basis.
Can the FTE count that was used at the time of application (30 hr.) be corrected to reflect the now defined 40hr or new calculation for FTE?	Unclear. However, since you used that test based in a good faith basis based on the information available at the time, you should not be subject to punishment.
What all is being considered as "utilities"? I have seen transportation cost mentioned.	Covered utility payments include business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020. The only clarity given to transportation costs thus far is that it would include gas in a business vehicle.
We laid off a full time employee and do not want to hire her back due to before this we were struggling to find hours for all employees....we were over staffed. Can we offer to hire her back at a part-time position and have that qualify for hiring her back?	An FTE is calculated as working 40 or more hours, so hiring her back-part time will not fully eliminate your reduction in FTEs.
If an employee resigned as of 4/23, our PPP Loan was received on 5/11 and the employee agreed to work on an "as needed" basis for an undetermined amount of time, how will that affect our FTE count and what do you recommend we do?	The application only provides relief from a reduction in forgiveness if an employee voluntarily resigns during the covered period. Thus, unless you add an FTE by June 30, your forgiveness will be reduced.
When is the application due? If calculations are done after the 56 day period, how much time do we have to submit the application? Who do we submit the application to?	No application deadline has been stated yet. You will submit the application to your lender.
Can you provide a bonus (hazard pay) to your employees during the 8 week period and have that amount be applied to the payroll portion of your PPP loan?	A bonus can be paid so long as it does not result in any employee receiving cash compensation in excess of \$100,000 on an annualized basis.
Are security (alarm monitoring) and waster management (garbage pick up) considered utilities?	Unclear.
What about workman's compensation insurance?	Still unclear, but most commentators feel that if it is administered by the state it may be covered, but if it is private insurance it will not be covered.
Regarding 8 weeks "following"...If we are funded on exactly the same day as a payroll	If the funding occurred before the payroll was drawn from your account, yet.

does day, does that payroll count as eligible?	
So do we have to put the funds into the Payroll account from our SBA Loan Account by Saturday June 19th for the June 26th payroll for our Alternative Payroll dates, we received funds April 15th so our pay period began on Sat April 25th and then ended June 19th we can transfer the funds before the June 26th payroll cycle correct? Or does it not matter the dates the SBA Loan is transferred into the payroll account?	If your first pay period following funding begins on the 25th, that is the day you being the 56 day alternative covered period. You can transfer the funds to pay that amount before the payroll date.
We fund Profit Sharing each year for the prior year. If we fund our 2019 Profit Sharing during the period can that be forgiven? It is a Safe Harbor payment of approx. \$90K to be paid.	If a retirement expenses is paid during the period, and it does not result in a single employee being paid more than \$100,000 in cash compensation on an annualized basis, it likely qualifies for forgiveness.
So if we have a loan for \$742K and only use \$475K for payroll and \$50K for non payroll is our forgiveness reduced if the \$742 was higher than what we used. Our accountant originally had us include Federal Taxes so our loan amount is higher that what we will use. So do we have to pay the full 75% of the loan amount in order to be forgiven in full?	You will only be eligible for forgiveness of the eligible expenses spent during the 8-week period, provided that no more than 25% of your eligible expenses during that period can be for nonpayroll expenses.
Can we include Mileage Paid and Gas paid for employees as a non payroll payment for utilities for transportation?	Unclear.
I have a medical practice. Clinical are paid hourly but doctors are paid on clinical volume not hourly or salary. How do I figure FTE?	You could use the simplified method of including 1 FTE for each employee who works more than 40 hours and .5 FTEs for employees who work less.
Are payroll taxes a eligible payroll cost for loan forgiveness	The employee's share of federal payroll taxes are eligible.
I'm finding this very confusing. We received our loan on 04/24/20, the first disbursement check was written on 05/01/20, but deposited on 05/04/20. Which date am I working with for the payroll disbursement? My first payroll involving the PPP is 04/12/20-04/25/20. The ACH is 04/29/20, employees were paid 05/01/20	You measure from the date the lender makes the first disbursement. Since the funds hit your account on 5/4/20, it seems reasonable to begin counting the 56 day period on that date.
What is included in payroll costs, i.e. is the employer match for social security and Medicare, SUTA and FUTA part of the forgiveness totals?	Only the employee's share is included.

I read that transportation will also be included. Do we know what is included under transportation?	The only clarity given to transportation costs thus far is that it would include gas in a business vehicle.
If you document that someone requested a reduction in hours, this documentation could impact their unemployment, correct?	Yes, it could.
What about employee portion of retirement contributions that are normally deducted from payroll ? Must those also be paid WITHIN the alternate covered period or can they be paid with payroll as usual and included in the forgiveness totals?	PPP Schedule A clarifies that non cash compensation includes of group health care benefits, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after tax contributions by employees.
Employer portion of payroll taxes is not forgivable, but can it be paid out of the PPP fund?	No, it is not an eligible expense.
<ul style="list-style-type: none"> • If a salaried person's hours were cut in half (but the rate stayed the same), do you consider that a "reduction of salary" and include them in the salary reduction worksheet? • If an hourly person was changed from full time to part time, it appears that does not count as a "reduction of salary," just a reduction of the FTEs, correct? • When the form asks for "annual salary" it means base salary, right? Commissions would not be included in this number, right? 	If this results in reduction of employee's salary or wages by more than 25% compared to what the employee earned during the most recent full quarter during which the employee was employed before the Covered Period, it should be included. No more detail has been given. Although it is not clear, as the form references "average annual salary" it likely includes bonuses, commission, etc.
Are life insurance benefits paid by my company considered a payroll expense that is eligible for forgiveness?	No.
Is interest on Line of Credit payments forgivable?	Yes, if the line of credit is secured by real or personal property.
As an owner of a C-corp who is paid through payroll with other employees, will I lump my compensation into tables 1 or 2 on the PPP Schedule A with other employees, or will it go onto Line 9?	This is not yet entirely clear. You should discuss this with your lender.
Our company's health plan has an HRA portion. Employees who have not elected our health plan are still entitled to the Sec 105 HRA portion (max \$1,000/yr. of qualified expenses). Are those also included for health benefit forgiveness?	It is not entirely clear at this point since HRA are not a group health plan, but it appears to be covered.

What about the first check? We pay weekly. If we paid payroll two days after receiving the funds for pay earned a week prior, does that count because it was paid or does it not because it was incurred outside the eight week period?	If you use the covered period, it counts because it is paid in the 56 days period. If you use the alternative covered period, it is not covered as you start counting on the first day of the first pay period following disbursement.
Is prepaid rent forgivable -- i.e., paid before the 8-week period but for a time during the 8-week period	No prepayments are permitted.
for non-payroll expenses that are paid via credit card, when are the costs considered paid: date paid with credit card, cc statement date, cc stmt payment date?	It is not clear, but it appears to be the date the expense is paid with the credit card.
Are Employer payments (not reductions from salary) to health savings accounts eligible for forgiveness in the eight-week period?	It is not entirely clear but appears to qualify.
Does it matter if the employees are S-Corp 5% shareholders or related individuals?	The application is not clear on how employee owners will be treated.
If loan was 30k, but only used 23k and of that 23k, 19k or 85% was payroll, and 4k or 15% was other eligible expenses, will the full 23k be forgiven? The remainder of the loan would be paid back. Thank you	Yes. If 75% or more of the loan is used on payroll during 8-week period, and the other tests are met, it is all eligible for forgiveness.
Can I pay into a new retirement account for an employee (who is actually related to me) if I have not ever paid into one before?	Payments for retirement benefits are covered. There are not any rules prohibiting this type of payment at this time.
I was understood that employee health insurance contribution portion is not part of the PPP only the employer contribution.	Correct.
Are employee paid federal payroll taxes excluded from payroll costs?	No, the employee's share of federal payroll taxes is included. The employer's share of payroll taxes is excluded.
If you can't use all of your loan for payroll costs and approved non-payroll expenses, can you use the funds for other expenses (without forgiveness)?	No, loan proceeds must be used on eligible expenses including payroll, lease payments, mortgage interest, and utilities.
Originally it was stated that commissions were only covered if they were earned and paid during the 8 week period which would be very unusual since that would mean invoice issued and payment received in the time period. However, no I understand it changed to earned OR paid. So, if our sales people have salaries of less than \$100k, could we get forgiveness for commissions that take them up to \$100k as long as they are paid during the 8 weeks?	Yes.

Can you direct me to where it states we can obtain forgiveness for lease payments, such as for copiers? Thanks	https://www.sba.gov/document/sba-form--paycheck-protection-program-loan-forgiveness-application
So this seems to be saying that payroll us ACCRUAL. Example if funded on May 1, and first payroll pay date was May 5th but covering period through April 30th, that payroll should not count and we should start on next period?	If you use the alternative covered period, you begin counting the 56-day period on the first day of the first payroll period following funding.
Our company offers a self-insured health plan. To determine the health care costs for forgiveness, would we use the actual medical costs paid by us less the employee portion, or would we use the premium equivalent rates as calculated by an actuarial team using past claims less the employee portion?	This is unclear at this point.
On the FTE Calculation, do we still count FFCRA hours?	Not entirely clear, but it seems they should be excluded since it is clear that no forgiveness can be given for FFCRA hours.
What happens when the payroll expense over the 8 weeks is less than 75% of the original pay?	If any employee's wages are reduced by more than 25%, it is a dollar for dollar reduction to the amount forgiven.
At the beginning of this process, we were understanding that the employer portion of FICA taxes would be included in payroll costs. Now it looks like this might not be the case, employer portions of state and local taxes (unemployment taxes assessed), is this correct?	Only the Employee's share of federal payroll taxes is included as well as payment of state or local tax assessed on the compensation of employees.
This may be answered later, but I'd like to get it in just in case I get wrapped up in the webinar content... Question: Will the payment of accrued SEP pension contributions from beginning of year be forgiven? Or just the 8 weeks' worth of salary? thanks.	If the payment is made during the period, it seems that it would be forgivable- as it is unclear, the most conservative approach
if we have hired additional staff during the 8-week period, can we include their salaries when we submit the information to SBA	Yes.
what if we are increasing and decreasing our part-time employees on a weekly basis due to volume that we receiving from our clients, would this have an impact in the loan forgiveness calculation?	Yes. You should run the calculations set forth in the application to determine whether this is creating a reduction in employee salary of more than 25% or a reduction in number of FTEs.
So if we were funded on April 20th, our next pay date was Wed 04/22 for pay earned 04/08 - 04/14 is this the first week	If you use the covered period, it counts because it is paid in the 56 days period. If you use the alternative covered period, it is not covered as you start

since it was incurred before but paid during the covered period.	counting on the first day of the first pay period following disbursement.
If we classify full time based on ACA standard so 95 percent of all employees are under 40 we can count them at all at .5? They are counted that way for the base and the post period?	If you chose to use the simplified method each employee working forty or more hours is classified as 1 FTE and each employee working 40 or less hours is classified as .5 FTE.
Tips were allowed to be factored in original loan. How are they factored in repayment if you re-opened during the 8 week forgiveness period?	Tips are included in payroll.
What happens if a person walks off the job? We can't get a written documentation that they resigned	Send an internal email to someone else in your organization or write a memo to your file describing the voluntary resignation.
Is cable tv for and garbage pickup considered utilities that can be forgivable, for hotels?	Covered utility payments include business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020. No additional clarification has been given.
If a building lease payment is deferred and added on to the end of the lease are those incurred costs still able to be forgiven.	No, it is neither paid nor incurred during the current period.
If semi-monthly payroll is paid and funding is mid-period couldn't you just calculate a portion of payroll paid until the start of the next period and do the same at the end to match up with the 56 days?	No. You must use either the covered or alternative covered period as the basis for your calculation.
Are sub-S corp stockholders considered "partners" for showing their payroll submittal?	The treatment of S corporation shareholder employees on the form is not entirely clear at this point.
When employees pay is calculated on commissions (ex. % of amounts billed per load), not on hours worked, how will the FTE be calculated?	You can use the simplified method of using 1 FTE for employees working 40 or more hours and .5 FTE for employees working less than 40 hours.
Paid in the forgiven period - what if you PAY rent during the forgiven period that is not yet due until after the forgiven period? Will that rent payment be forgiven?	No prepayments are permitted.
Does the "paid OR incurred" apply to the incurring of payroll hours that will be paid the next week?	You use either the covered or alternative covered period to calculate payroll. To the extent payroll is incurred but not paid by the end of the covered period, it is forgivable if it is paid by the next regularly occurring pay period.

What if the loan was for 100% of payroll?	If the proceed are used 100% on payroll in the covered period, the expenses are eligible to be forgiven.
Going along with the Forgiveness Reduction Calculation... If an employee refuses to come to work because of fear for their health do you have to pay them for their regular number of hours?	If you can document that the employee voluntarily reduced their hours, your forgiveness will not be impacted.
So if can actually include 9 weeks of payroll if you pay weekly, correct? Paid on the first day you receive the loan and accrued on the last day.	At the end of the period, you are permitted to make payment for dates that were worked but not yet paid.
When you say lease obligations could be forgiven, what all would that apply to? IE: We lease a bobcat for the company use. Could we pay that lease with the PPP loan?	Yes, business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 are eligible nonpayroll expenses.
We make our 401K contribution annually, and we may make it now, can we count the entire 5-month period contribution as long as it is paid now?	No prepayments are permitted, so a prorated amount would have to be paid.
The loan disbursed on 5/20/2020. We are semimonthly. (5/1-5/15 was paid on 5/20/20) 5/16-5/31 will be paid on 6/5/20 6/1-6/15 will be paid on 6/19/20 6/16-6/30 will be paid on 7/3/20 7/1-7/15 will be paid on 7/20/20 How can we calculate 8 weeks? Please advise. Thank you.	If you are semi-monthly, you are required to use the covered period and begin counting the 56 days on 5/20.
What do you recommend for semi-monthly payroll periods?	You have two choices: Either use the covered period; or change your payroll frequency to bi-weekly and then use the alternative covered period. Your other option is to change your payroll frequency to bi-weekly and then use the alternative covered period beginning on 6/1.
We are on a bi-weekly (26 Pay Periods) May is one of the 3 payroll months therefore we have 5 pay periods between May & June. Form 3508 Says the max pay to owner-employee is \$15,385. This amount divided by 4 = \$3846.25 For 24 pay periods this = \$92310. For 26 pay periods it = \$100,002.50 Using \$3846 x 26 = \$99,996. This discriminates against the 26 pay period businesses. Please advise. Thank you randy@dmce.com	I have heard this criticism from others. Unfortunately, it is currently limited to \$15,385 during the covered period.

Are Auto Lease included?	The application references lease of personal property, so it appears to cover automobiles but is not totally clear.
What about the EIDL advanced payment?	The EIDL grant is a reduction to your amount eligible for forgiveness.
For purposes of Safe Harbor. Is there any guidance on a minimum period of time that FTE must be maintained after June 30?	Not at this time.
Is Vision Insurance, STD, LTD, Group Life and Dental Insurance included along with Medical Insurance under - "Health Insurance"	The application references premium payments for the provision of group health insurance. There is no indication it covers STD, LTD, or Group Life Insurance. It appears that Dental and vision insurance would be covered.
about the Other Payroll costs: I calculate and enter all my payroll deposits on Wednesday, but the deposits (ACH checks, payroll taxes, 401k) all are done on Friday, so are they to be forgiven based on slide 12?	If they are paid in the first regular pay cycle following the end of the covered period, they could be forgiven.
Can someone reiterate the covered period for FTE Forgiveness? Is it the dates of the Covered Period or Alternative Covered Period established based on when the PPP loan was distributed?	You can elect to use either period for payroll purposes. The covered period is the 56 day period beginning on the day of loan disbursement. The alternative covered period begins on the first day of the first payroll period following funding.
Does the retirement plan contribution relate to the Alternated Covered Payroll?	Yes, retirement plan contributions are deemed to be a payroll cost.
If not covered later, are retirement payouts eligible for inclusion in payroll costs if within covered period?	Payment of any retirement benefits during the covered period are eligible for forgiveness.
are profit sharing contributions eligible?	Payments of retirement benefits are covered, so it appears this would be covered.
Are the PTO hours employees earned during the 8 weeks eligible for forgiveness? The PTO hours won't be paid until the employees use them, might be way after the 8 weeks end.	Payment for vacation, parental, family, medical, or sick leave during the covered period is eligible. If it is paid out after the covered period, it is not covered.
have they defined "utilities" - I've heard both yes and no about internet expenses and cell phone expenses, so can't tell if those are included in forgiveness?	Proceeds used to pay for electricity, gas, water, transportation, telephone, or internet access ("Covered Utility Payments") are eligible for forgiveness, so long as service began prior to February 15, 2020.
will bonuses to employees in the covered payroll period be forgiven?	Bonuses appear to be covered so long as it does not result in an annualized amount of cash compensation in excess of \$100,000 on an annualized basis.

for healthcare premiums covered via payroll, do you need to deduct the employee contribution against the total premium cost?	It does not appear to be required.
We have a 401k match payable from 2019. If we make that payment during the forgiveness period, is it eligible?	Payment of any retirement benefits is permitted if it is paid during the covered period.