



SelectHealth Bulletin: COVID-19 (novel coronavirus)

April 6, 2020

Introduction to the CARES Act

This bulletin is intended to assist in identifying potential sources of relief from the consequences of COVID-19 (novel coronavirus) for individuals, families, and employers. It's important to seek advice and information from trusted resources.

The Coronavirus Aid, Relief, and Economic Security (CARES)

On March 27, 2020, the federal government passed the CARES Act, a \$2 trillion aid program to provide emergency assistance and health care response for individuals, families, and businesses affected by the COVID-19 (novel coronavirus) pandemic. One purpose of this Act is to help workers stay employed by supporting small businesses (up to 500 employees), sole proprietors, independent contractors, and self-employed individuals during this economic downturn. The Act also allocates funds to make loans and loan guarantees to eligible businesses (500-10,000 employees), states, and municipalities.

This bulletin is an introduction to the CARES Act with references to where you can find more details. Subsequent SelectHealth Bulletins will summarize specific features of the Act, including the Paycheck Protection Program (PPP) that provides 100% federally guaranteed loans to small businesses.

START YOUR CARES ACT RESEARCH HERE

UTAH:

The Utah Department of Health (<https://coronavirus.utah.gov/>) is a reliable information resource for most COVID-19 questions and is endorsed by the Salt Lake Chamber of Commerce.

For business information, go to the Business Resources section (<https://coronavirus.utah.gov/business/>) to research federal, state, and local resources, Utah government agencies, and partner organizations.

Two documents to look for are "What the CARES Act means for Utah?"

(<https://wcutah.com/wp-content/uploads/2020/03/What-the-CARES-Act-Means-for-Utah-1.pdf>) and "Coronavirus (COVID-19): Small Business Guidance and Loan Resources."

(<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>)



continued

IDAHO:

The Idaho Department of Labor (<https://labor.idaho.gov/dnn>) is a reliable source for job seekers and employers. Also the Idaho Department of Health and Welfare (<https://healthandwelfare.idaho.gov/>) is a good source for assistance for children and families.

OTHER:

The U.S. Small Business Administration website (<https://www.sba.gov/>) is a valuable source of information, and its Lender Match feature can connect small businesses to participating SBA-approved lenders. The U.S. Chamber of Commerce website (<https://www.uschamber.com/coronavirus>) is also a reliable source of information for employers.

For example, the U.S. Chamber document titled “Coronavirus Emergency Loans Small Business Guide and Checklist” (https://www.uschamber.com/sites/default/files/023595_comm_coronavirus_smallbiz_loan_final.pdf?fbclid=IwAR1U3Pa2Ek2s9PXoPfld_TnQ3FZqdmECw0U_Sbk26gFjftXkPODQhiW3FXo) is an overview that answers basic questions including, “Am I Eligible?”, “What will lenders be looking for?”, “How much can I borrow?”, and “Will this loan be forgiven?”. The following are examples of the information available:

- > A small business with fewer than 500 employees (includes all employees, full-time, part-time, and any other status) is eligible.*
- > Lenders will ask for a good faith certification that the uncertainty of the current economic conditions makes the loan request necessary to support ongoing operations.*
- > Loans can be up to 2.5 x the borrower’s average payroll costs, not to exceed \$10 million.*
- > Payroll costs includes the sum of payments of any compensation with respect to employees including payment required for the provisions of group health care benefits, including insurance premiums...*
- > A borrower is eligible for loan forgiveness equal to the amount the borrower spent on (specific) items during the eight-week period beginning on the date of the origination of the loan. The amount of loan forgiveness calculated is reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees.*

*See the U.S. Chamber website (<https://www.uschamber.com/coronavirus>) for more details.

CAUTION: SelectHealth encourage all parties seeking relief from the impact of coronavirus to seek guidance from their trusted advisers such as certified public accountants and attorneys. All individuals and employers should beware of scams. With financial assistance potentially available through federal, state, and local governments in the way of grants and loans, there will be scammers trying to take advantage of the situation, such as those masquerading as qualified lenders.