

Deciphering the CARES Act



	Who is Eligible?	What does this do?	What else should you know?
FICA Deferral	Employers that are not participating in the Paycheck Protection Program (PPP)	Employers can defer 100% of employer Social Security tax for amounts due 3/27/2020 through 12/31/2020	50% of deferred amount is due December 31, 2021 The other 50% of deferred amount is due December 31, 2022
Employee Retention Credit	Employers that are not participating in the Paycheck Protection Program (PPP) - and - Have 100 employees or fewer - or - Have 100 employees or more and have furloughed employees whose wages are continued for business closure due to COVID-19*	All employers are eligible for a credit up to \$5,000 representing 50% of the first \$10,000 of wages paid this year Employers may take this credit against their current employment tax liability	Credits limited to the total employer social security liability for the quarter, but reduced by the FFCRA credits taken against those same taxes Limits also apply to Qualified R&D credits and WOTC credit for employment of qualified veterans
Paycheck Protection Program (PPP) Loans	Employers that have 500 or fewer employees (full and part-time) - includes - For-profit or non-profit Sole proprietorships Independent contractors, self-employed/gig workers -required - Businesses must keep their employees and pay them at least 75% of their prior-year compensation	PPP loans can be as large as 250% of a business's average monthly payroll costs over the last 12 months, not to exceed \$10 million Salaries over \$100,000 are not counted as payroll costs	Principal amounts for the first 8-week period from when the loan is made, may be forgiven Loan amount that may be forgiven cannot exceed the principal amount of the loan For principal amounts that exist after any loan forgiveness under the PPP, may defer payment of remaining principal, interest, and fee balances for at least 6 months and not more than a year, essentially allowing a substantial portion of the loan to be forgiven with remaining balances deferred for up to 6 months

*Credit for furloughed employees only

We will help you navigate these uncharted waters.
 Visit our Knowledge Base (PCTY-85142) or contact your Account Manager at 888.873.8205 or service@paylocity.com for information or assistance.