

Legislative Update:
**What the New
COVID-19 Stimulus
Package Means for
SMBs**

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This presentation is for educational purposes only.

TriNet provides its clients with legally compliant HR guidance and best practices.

TriNet does not provide legal, tax or accounting advice.



Welcome

What's happened?

Leave Changes

Tax Credit Changes

PPP Changes

Other Items to Consider

Our Journey Continues



THE YEAR IN SMB SUPPORT

March 18, 2020: The Families First Coronavirus Act (FFCRA)

March 27, 2020: The Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

April 24, 2020: The Paycheck Protection Program and Health Care Enhancement Act

June 05, 2020: The Paycheck Protection Program Flexibility Act

December 27, 2020: Consolidated Appropriations Act, 2021

Visit trinet.com for all your COVID-19 Resources



TriNet
PPP Webinar
May 28, 2020

TriNet
PPP Webinar
July 01, 2020

TODAY

The Families First Coronavirus Act (FFCRA) Updates and Changes

FFCRA Paid Leave Updates



Paid Sick Leave and Expanded Family and Medical Leave Updates

Mandatory FFCRA paid sick leave and expanded family and medical leave ended on December 31, 2020

Employers may voluntarily continue to offer the FFCRA paid leave through March 31, 2021 and still get the corresponding tax credit

The new legislation does NOT give employees additional hours of leave beyond what the FFCRA originally provided



Retention Credits

Employee Retention Credits Updates



The Employer Retention Credits have been Extended and Expanded

Extended through June 30, 2021

Qualified wages amount raised from 50% to 70%

Qualified wages cap changed to \$10,000 per employee per quarter in through June 30, 2021

Small employer definition updated to 500 FTEs

The reduction in gross receipts eligibility qualification has been reduced to 20% year-over-year

May be eligible for credit if received a PPP loan



Paycheck Protection Program (PPP) Updates and Changes

Consolidated Appropriations Act (CAA) of 2021 and the PPP



The updates and changes:

1. Continuation of the PPP
2. New forgiveness eligible expenses
3. Simplified forgiveness application for small loans (<\$150k)
4. Second draw loans

Overview of the PPP Extension



What we know:

Formally extends program through March 31, 2021

\$284B available for first and second-time loans

Ability to request an increase in loan amount

Retroactive updates allowable if loan has not been forgiven

Tax deductibility of expenses



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What Expenses Are Forgiveness Eligible?



The CAA expands the list of expenses eligible for forgiveness:

Payroll costs now include

Other employer-provided group insurance benefits

- Life
- Disability insurance
- Vision
- Dental

Non-payroll costs now include

Covered supplier costs

Covered worker protection expenditures

Covered property damage

Covered operations expenditures

Consolidated Appropriations Act (CAA) of 2021 and the PPP



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Forgiveness Gets A Little Easier

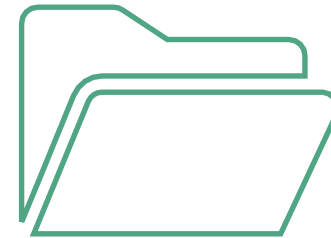


For loans under \$150K:

A one-page certification process

- Number of employees retained
- Estimated payroll costs
- Amount of loan

Don't forget the records retention requirements!



Consolidated Appropriations Act (CAA) of 2021 and the PPP



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Second Draw Loans



Opportunity for SMBs needing additional support

300 employees or less

Demonstrate a 25% reduction in gross receipts for any quarter in 2020 compared to 2019

Max loan size 2.5X average monthly average payroll costs up to \$2 million



The Forgiveness Application Stays With You



Remember the archiving requirements...



Some documents
must be submitted
with the application



Other documents **must**
be retained by the
borrower for 6 years

Your questions answered

Your Questions



If we added offices to "spread out" our staff will those expenses be eligible for forgiveness?

Do you have any specifics around the new Shuttered Venue clause?

Your Questions



Can the retention credit program updates be applied retroactively to 2020?

Will the FTE Reduction Quotient reference periods be the same for the second draw loans?

Vaccine Information



Items to consider:

Follow vaccine prioritization as established by the applicable states

There are three phases, with Phase 1 having three sub-phases

If mandated by an employer, it is strongly advised that the employer pays for vaccination

Conspiracy theory objections to the vaccine are not legitimate bases to refuse vaccination

Employers can and should still require masks and social distancing even for vaccinated employees

Vaccine Information



EEOC Guidance Details

Employers generally may require that employees get vaccinated

- Job-related and consistent with business necessity

Vaccine screening questions are allowed if

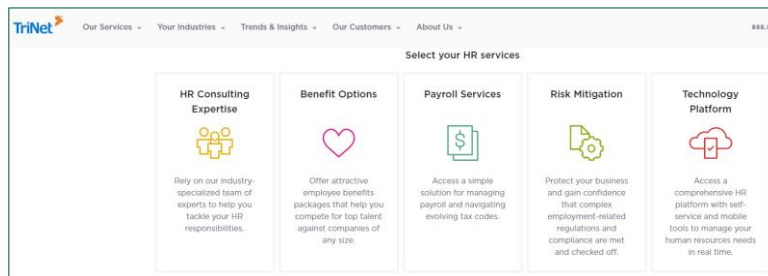
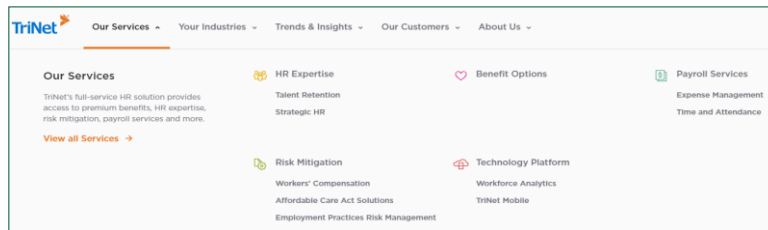
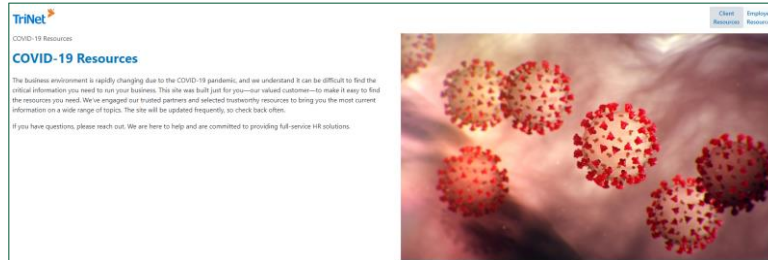
- Vaccination is voluntary; or
- Employee is vaccinated by a third-party not affiliated with employer

Employers may request proof of receipt of a vaccination

- Employers may exclude employees who cannot be vaccinated due to a disability but must show:
 - Undue burden if not vaccinated, or
 - An unvaccinated employee would pose a direct threat (four factors)

Employers must provide a reasonable accommodation to employees who decline to get vaccinated due to a sincerely held religious belief, practice or observance

Reminders and takeaways



- Visit the **Client Resources site** on the TriNet platform
- Read our **COVID-19 Newsletters**, sent to you weekly
- Keep up to date on other **webinars, blogs** and events by visiting [TriNet.com](https://www.trinet.com)
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Thank you!