



Important updates from the Coronavirus Relief Act:

Families First Coronavirus Response Act Extension:

Families First Coronavirus Response Act (FFCRA) required employers with 500 employees or less to provide paid leave to their employees related to coronavirus exposure or childcare related issues. This requirement expired on December 31st, 2020, and Congress declined to extend the program as originally designed.

HOWEVER, employers who voluntarily make this benefit available will be eligible for the same tax credit. If you decide to continue to offer this benefit, here are a few things to keep in mind:

1. Employees can only use Emergency Paid Sick Leave (EPSL) and Extended Family Medical Leave Act (EFMLA) according to the rules laid out by FFCRA.
2. Employees are eligible for up to 80 hours of EPSL and 12 total weeks of EFMLA, so you will not be eligible for a tax credit twice. If you are required to follow FMLA rules because of your business size, you can follow your established eligibility period (which may mean the employee is eligible again for EFMLA).

Usage of FFCRA leave still needs to be documented and can be declined based on business needs. Until new legislation has passed, this tax credit will only be available until March 31st, 2021.

Payroll Protection Loan Program Updates:

Included in the Coronavirus Relief Act are updates to the Paycheck Protection Program, including a second round of funding intended primarily for hospitality businesses still feeling the effects of COVID-19 related shutdowns and restrictions. There are several notable changes to the original act:

- PPP loans under \$150,000 will have a simplified, one-page forgiveness application, which essentially only requires applicants to report the number of employees they were able to retain and certify that they used the loan funds for their intended purpose.
- Expenses paid for by the PPP loans are now deductible for tax purposes, in addition to the government not treating the loan forgiveness as a taxable event. This is a change from the original CARES Act and subsequent Treasury guidance.
- EIDL Advance amounts will no longer be deducted from PPP forgiveness.



Also, businesses that are still struggling have been given access to a second round of PPP funding. The major criteria that must be met is that the business saw a decline in revenue of at least 25% for any quarter in 2020 as compared to the same quarter in 2019. For optometry practices, the loan amount calculation remains the same – 2.5 times the average monthly payroll. The funds can be used for an expanded list of expenses, including PPE and repairs resulting from the unrest that broke out in 2020.