

June 8, 2020

In an effort to keep you updated during the COVID-19 pandemic, we will be sending you updates on the latest developments. Please do not hesitate to reach out to your Sheakley HR team member should you have additional questions or concerns!

## Paycheck Protection Program (PPP) Flexibility Act

On Friday, May 5, the President signed the PPP Flexibility Act. The attached shows a preliminary analysis of the act. Topics outlined in the PPP Flexibility Act include:

- PPP “Covered Period” Extension for Purposes of Loan Applications and \$100K Comp Limitation
- PPP “Covered Period” Extension for Purposes of Determining the Forgiveness Amount
  - Employers now have up to 24 weeks to use PPP funds
- Full-time Employee Reduction Safe Harbor Expansion
- Reduction in 75% Payroll Cost Requirement to 60%
- New Full-time Employee Reduction Factor Exception
- Extension of PPP Loan Maturity Period
- Extension of Loan Deferral Period
- Expansion of CARES Act Employment Tax Deferral Provisions

Should you have additional questions or concerns on the PPP Flexibility Act please contact your lender and/or your CPA.

## Pandemic Policy/COVID-19 OSHA Compliance

If you need assistance completing a risk analysis and developing a COVID-19/Pandemic policy that meets OSHA requirements, please let your HR team member know. Within the Sheakley group of companies lies a Workforce Safety division. They are a great resource to ensure OSHA compliance!

## Unemployment Update

As of May 31, 2020, the mass layoff code that was created for COVID-19 layoffs is no longer valid. In the event that you have to furlough or lay off an individual they should submit their unemployment claim using the termination reason of “lack of work.” These “lack of work” claims will automatically be allowed and the employees will receive unemployment benefits. Please let your HR team member know if you plan to furlough or lay off employees.

## Unemployment Reminders

- The Pandemic Unemployment Assistance Program (additional \$600 per week) is valid through July 31, 2020.
- Employees who are offered work and refuse to return are no longer eligible for unemployment. These individuals should be submitted to the unemployment fraud departments.