

COVID-19 ALERT

The CARES Act: Key Takeaways

On March 27, 2020, the President enacted the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act (the "Act"), an 880-page stimulus package intended to combat the widespread economic impact of COVID-19 on American businesses, individuals and families.

To better position our clients to take advantage of these emergency measures, we have prepared this quick reference guide which highlights the key provisions of the Act most likely to be of relevance to our clients and contacts. For a comprehensive summary of these provisions, please see our March 27th [Alert](#) (the "CS Alert"). As always, our attorneys are available to answer any questions and assist in determining how best to employ the CARES Act to the benefit of our clients.

Relief Measure	Eligibility
<p style="text-align: center;">SMALL BUSINESS LOANS CS Alert §2</p>	<p>You are eligible to apply for a Small Business Interruption Loan if you are:</p> <ul style="list-style-type: none"> • a small business concern that employs no more than 500 employees; or • a business that employs no more than 500 employees <i>per physical location</i>, operating in the restaurant, hospitality or food service industries. <p>Loans are capped at \$10 million and are intended to fund payroll costs, repayment of existing debt obligations and other ordinary course operational expenses. All or a portion of such loans are eligible for forgiveness.</p>
<p style="text-align: center;">CORPORATE ASSISTANCE LOANS CS Alert §4</p>	<p>The Act provides for \$500 billion in corporate assistance loans, a portion of which is reserved for severely distressed economic sectors. For purposes of the Act, distressed sectors appear to initially include passenger airlines, the aviation industry and other businesses that have incurred direct or incremental losses that jeopardizes continued business operations (to which access to reasonable credit is not otherwise available). \$25 billion of these funds are earmarked for passenger airlines and \$454 billion is reserved to support lending to businesses, states and municipalities, subject to discretion of the Federal Reserve.</p>
<p style="text-align: center;">MAIN STREET LENDING PROGRAM CS Alert §4</p>	<p>If you are a mid-sized business or non-profit organization with more than 500 employees but less than 10,000 employees, you may be eligible to apply for a specific loan facility from certain lending institutions designated by the Federal Reserve.</p>

<p style="text-align: center;">DIRECT PAYMENTS TO INDIVIDUALS CS Alert §1</p>	<p>Individuals and joint filers will be entitled to one-time payments based on the following income thresholds and number of dependents.</p> <ul style="list-style-type: none"> • \$1,200 for individuals making up to \$75,000 • \$2,400 for joint filers making up to \$150,000 • \$500 per dependent • Incremental decrease for individuals with salaries ranging from \$75,001-\$99,000 <p>You are not eligible to receive payment if your income exceeds \$99,000 (or \$198,000 jointly).</p>
<p style="text-align: center;">TAX CREDITS AND ADDITIONAL BENEFITS CS Alert §6</p>	<p>The Act provides for various tax credits, incentives and deferrals, aimed at providing relief for businesses and individuals. Key provisions include:</p> <ul style="list-style-type: none"> • extension of filing deadline to July 15, 2020 • refundable payroll tax credit equal to 50% of qualified wages up to \$5,000 per employee • relaxation of net operating loss and business interest deduction rules and charitable contribution deductions
<p style="text-align: center;">UNEMPLOYMENT BENEFITS CS Alert §3</p>	<p><i>For Individuals:</i> The Act expands federal unemployment benefits for individual employees to an increased maximum of \$600 per week. Additionally, employees who have been laid-off due to COVID-19 are entitled to receipt of four months full pay.</p> <p><i>For Employers:</i> The Act caps employer liability with respect to paid leave and pay sick leave obligations (\$200 per day and \$10,000 in the aggregate per employee).</p>
<p style="text-align: center;">HEALTHCARE PROVIDERS CS Alert §8</p>	<p>If your business qualifies as a healthcare facility, hospital or medical center, you may be eligible to qualify for additional emergency funding.</p>
<p style="text-align: center;">EDUCATIONAL INSTITUTIONS AND STUDENTS CS Alert §9</p>	<p>Universities and other educational institutions may qualify for emergency funding in order to support remote learning and the provision of learning resources for students.</p> <p>If you or someone you know has outstanding federal student loan debt or has lost work study or similar financial aid due to the inability to remain enrolled in school, you may be eligible for loan forgiveness and/or payment deferral relief measures.</p>

This summary of the March 27th alert was authored by [Samantha B. Epstein](#).

For additional information on the COVID-19 pandemic,
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Resource Center

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