

Small Business Improvements in the *Paycheck Protection Program Flexibility Act of 2020*

The **Paycheck Protection Program Flexibility Act of 2020** builds upon both the Paycheck Protection Program and Health Care Enhancement Act and the CARES Act by addressing some of the barriers to the program voiced by America's small businesses.

What's New?

	CARES and PPP & Health Care Enhancement Act Provisions	Paycheck Protection Program Flexibility Act of 2020 (as of 6/5/2020)
Loan Amount, Interest, Deadline to Apply	Up to 2.5 months of payroll cost with a maximum of \$10M with interest rate of 1%, Apply by June 30, 2020	Unchanged
Amount of time to use PPP proceeds for forgiveness	8 weeks from receipt of loan proceeds	24 weeks from receipt of loan proceeds or December 31,2020 (whichever is earlier)
Percentage of loan used for payroll to qualify for forgiveness	At least 75% of loan proceeds should be spent on payroll	At least 60% of loan proceeds should be spent on payroll
Payroll Stability Safe Harbor	Must maintain same level of payroll to avoid a reduction in forgiveness amount; however allows for decrease of wage levels between February 15 and April 26 as long as levels are restored by June 30,2020.	Extends restoration date to December 31, 2020 Loan forgiveness will not be reduced due to 1) inability to rehire employees if the business can document offers appropriately or 2) inability to return to same level of operations due to compliance with COVID-19 regulatory requirements between March 1 and December 31,2020
Time to repay unforgiven loan proceeds	2 years	5 years
Deferral of Employer Share Social Security Taxes	Prohibits employers that receive PPP loan forgiveness from deferring the employer share of Social Security tax	Employers that receive PPP Loan forgiveness may continue to defer the employer share of Social Security tax
Deferral of Payments	6-month deferral of principal and interest for unforgiven portion	Extended up to time SBA compensates lender for forgiven amounts.

For additional information on how to apply for the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL) and Grant, please click [here](#).