



EMPLOYMENT & TRAINING ADMINISTRATION

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To : Steven M. Neuhaus, County Executive
From: Stephen Knob, Employment & Training Administration, Director
Subject: CARES Act Information for Supervisors and Mayors

1. Unemployment Insurance Expansion - \$250+ billion

- a. Unemployment Benefits for More Americans: Makes sure self-employed and independent contractors, like Uber drivers and gig workers, can receive unemployment during the public health emergency
 - i. The bill also includes support to state and local governments and nonprofits so they can pay unemployment to their employees.
- b. Adds a \$600/week across-the-board payment increase through the end of July
 - i. In addition, for those who need it, the bill provides an additional 13 weeks of benefits beyond what states typically allow.

2. Direct Cash Assistance for Americans - \$250 billion

- a. Provides one-time \$1,200 checks to many Americans, with an additional \$500 per child
 - i. Phases out at various income levels; \$75,000 annually for single filers and \$150,000 for joint filers
 - ii. Maximum income levels are \$99,000 for single filers and \$198,000 for joint filers
- b. **Pell Grants** - For students who dropped out of school as a result of COVID-19, excludes the term from counting toward lifetime Pell eligibility
 - i. For students who dropped out of school as a result of COVID-19, allows those students to not be required to return unused Pell Grants or federal student loans to the Secretary.

3. Business Tax Provisions

- a. **Advance of Paid Leave Tax Credit - Makes the refundable tax credit provided for in the second package able to be an advanced refundable tax credit instead of having to be reimbursed to employers on the back end of providing paid leave to employees.**
- b. **Employee Retention Credit** - Employers of all sizes that face closure orders or suffer economic hardship due to the coronavirus crisis that continue to pay employees that are furloughed may be eligible for a 50% credit on up to \$10,000 of wages paid to those employees.

- c. **Delays Payroll Tax Payments for Employers** - Employers would be able to delay the payment of their 2020 payroll taxes until 2021 and 2022, leading to approximately \$300 billion of extra cash flow for businesses.
- d. **Restores Supports for Businesses Suffering Losses:** The bill also allows businesses to carry back losses from 2018, 2019, and 2020 to the previous 5 years, which will allow businesses access to immediate tax refunds
- e. **Temporary Income Exclusion for Certain Employer Payments of Student Loans** - Excludes from the employee's income for 2020 the first \$5,250 of employer payments of an employee's student loans.
- f. **Modification of the Limitation on Business Interest Expense** - Increases the limitation on the deductibility of business interest expense from 30% of EBITDA to 50% of EBITDA for 2019 and 2020.

4. Small Business Loan Interruption Program - \$350 Billion

- a. Paycheck Protection Program (PPP) - provide small businesses and other entities with zero-fee loans of up to \$10 million
 - i. Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels
 - ii. Principal and interest is deferred for up to a year and all borrower fees are waived
- b. Debt Relief for Existing SBA Borrowers - SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months
 - i. This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bill

Related Links:

<https://www.orangecountygov.com/DocumentCenter/View/16468/Relief-for-Workers-Affected-by-Coronavirus-Act>

<https://www.labor.ny.gov/ui/cares-act.shtm>

<https://labor.ny.gov/unemploymentassistance.shtm>

For more information, please visit the Employment & Training Administration page at:

<https://www.orangecountygov.com/352/11446/Employment-Training>