

**MURTHA CULLINA LLP**

## Summary of CARES Act Alerts

May 2020

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) into law. The sweeping legislation authorizes more than \$2 trillion to address the Covid-19 pandemic and its economic impact. Murtha Cullina has issued several client alerts below explaining key provisions of the CARES Act. Please contact us to learn more about the CARES Act, your eligibility for assistance, and how Murtha can assist you to navigate this complex and new terrain.

### ■ BUSINESS

#### [Treasury/SBA Extend “Safe Harbor” Period to May 18, 2020](#) (May 14, 2020)

On May 13, the US Treasury and Small Business Administration released additional guidance regarding the PPP loans, extending the “Safe Harbor” period for borrowers to return loans for which they could not make the “economic necessity” certification in good faith, to Monday, May 18, 2020.

#### [Treasury/SBA Announce Added Protections for Borrowers Who Make Good-Faith “Economic Necessity” Certification under the Paycheck Protection Program](#) (May 13, 2020)

On May 13, the United States Treasury and the Small Business Administration released further guidance specifically addressing how the SBA will review the “economic necessity” certification for borrowers that receive PPP loans in amounts that are less than or greater than \$2 million.

#### [Treasury/SBA Extends “Safe Harbor” to May 14, 2020 for Return of PPP Loan Proceeds](#) (May 7, 2020)

On May 5, the Small Business Administration released further guidance regarding the PPP, extending the “Safe Harbor” date to return PPP loan funds or to terminate pending applications to May 14, 2020.

#### [PPP Loan Forgiveness - “What if I Offer to Rehire an Employee and They Reject My Offer?”](#) (May 5, 2020)

On May 3, the Treasury Department released further guidance regarding the previously unanswered of whether the forgiveness amount would be reduced if an employer lays off an employee, offers to rehire that employee and the employee rejects the offer.

#### [Overview of the Main Street Lending Programs Under the CARES Act](#) (April 21, 2020)

On April 9, the Federal Reserve Bank announced the establishment of the MainStreet Lending Program (“MSLP”) to provide up to \$2.3 trillion in loans to small and mid-sized businesses striving to remain afloat during the COVID-19 pandemic.

#### [Overview of the Economic Injury Disaster Loans](#) (April 10, 2020)

The CARES Act provides \$10 billion through the SBA’s Section 7(b) Economic Injury Disaster Loan (EIDL) program and expands eligibility standards as a response to the COVID-19 pandemic.

#### [CARES Act - Understanding the Requirements and Benefits of Obtaining Paycheck Protection Program Loans](#) (April 9, 2020)

The CARES Act includes a new small business loan program, PPP, which provides federally-backed loans to eligible businesses to help pay their operational costs like payroll, rent, health benefits, insurance premiums, and utilities for up to 8 weeks. The principal amount of the loan plus accrued interest is eligible for loan forgiveness.

## ■ EMPLOYEE BENEFITS

### [CARES Act Includes Important Health Plan-Related Provisions](#) (March 31, 2020)

The CARES Act includes important provisions related to health plans. These include requiring group or individual health insurance to cover diagnostic testing for the virus and amending the health savings account, medical savings account, flexible spending account, and health reimbursement arrangement rules.

### [President Signs Massive \\$2 Trillion Stimulus Package Permitting Retirement Plan Distributions and Loan Relief to Participants Affected by COVID-19 as Well as Waivers of 2020 Required Minimum Distributions](#) (March 29, 2020)

The key retirement plan and IRA-related provisions in the CARES Act include permitting certain retirement arrangements to allow COVID-19-affected individuals to tap into their retirement funds and waiving required minimum distributions (RMDs) which otherwise would have had to have been paid from IRAs and employer-sponsored retirement plans during 2020.

## ■ HEALTH CARE

### [The CARES Act and Health Care Providers: What You Should Know](#) (April 24, 2020)

The bulletin provides a summary of the Public Health and Social Services Emergency Fund, which provides \$100 million in funding to hospitals and other health care providers in their efforts to combat COVID-19, in addition to summarizing key provisions of the CARES Act.

### [CMS Expands Accelerated and Advance Payment Program to Provide Financial Assistance to Medicare Providers During COVID-19 Emergency](#) (March 30, 2020)

In connection with the CARES Act, the Centers for Medicare & Medicaid Services (CMS) announced an expansion of its accelerated and advance payment program to assist Medicare providers, including doctors, hospitals, skilled nursing facilities and durable medical equipment providers, in addressing cash flow challenges related to COVID-19.

## ■ LABOR AND EMPLOYMENT

### [Senate Passes Massive Coronavirus Aid Package; Would Provide Financial Relief for Employers and Employees](#)

(March 26, 2020)

The CARES Act stimulus package includes direct cash payments to individual taxpayers, payroll tax credits for employers, waiver of early withdrawal penalties from retirement accounts for the duration of 2020, tax-free student loan repayment, and expanded unemployment benefits.

### [Murtha Cullina Employment Law Perspectives Blog](#)

Throughout the Covid-19 Pandemic, our Labor and Employment Practice Group has been posting regular updates on managing the workforce during the pandemic, new laws, return to work issues, and much more.

## ■ MUNICIPAL

### [CARES Act Assistance for Municipalities](#) (April 15, 2020)

The CARES Act authorizes the provision of debt guarantees, direct loans as well as the direct purchase by the Federal Reserve of state and local government obligations.

## ■ TAX

### [The CARES Act: A Summary Of The Federal Tax Relief Provisions](#) (April 13, 2020)

The CARES Act includes numerous changes and updates to current Federal tax law to help both individuals and businesses dealing with the fallout of the COVID-19 pandemic.

## ■ TAX-EXEMPT ORGANIZATIONS

### [Capturing Opportunities and Avoiding Risks As We Adapt to the COVID-19 Pandemic](#) (April 16, 2020)

The COVID-19 pandemic presents new risks as well as new opportunities for tax-exempt organizations.

### [CARES Act Relief for Tax-Exempt Organizations](#) (April 1, 2020)

The CARES Act includes relief for tax-exempt organizations. The type and amount of relief, in some instances, depends on the organization's size and its classification under Section 501 of the Internal Revenue Code.

## ■ TRUSTS AND ESTATES

### [To Withdraw, or Not to Withdraw, is \(Temporarily\) Not the Question: The CARES Act Relaxes Several Key Retirement Account Rules](#) (April 9, 2020)

The CARES Act makes changes to several retirement plan distribution rules including exempting Coronavirus-related distributions from eligible retirement plans from the 10% excise tax on early distributions, permitting loans of up to \$100,000 (increased from \$50,000) from qualified employer plans and waiving minimum distribution rules for IRAs and certain defined contribution plans for calendar year 2020.

*If you have any questions, please contact:*

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*With more than 100 attorneys in six offices throughout Connecticut, Massachusetts and New York, Murtha Cullina LLP offers a full range of legal services to meet the local, regional and national needs of our clients. Our practice encompasses litigation, regulatory and transactional representation of businesses, governmental units, non-profit organizations and individuals.*

