



Surviving the Financial Crisis - COVID-19

What Every Employer Needs to Know

Click on each title to link to additional information

Federal Laws & Programs

[Families First Coronavirus Response Act](#)

- An expansion of the Family and Medical Leave Act (FMLA)
- Applies to companies with 50–500 employees (some exceptions exist)
- Changes apply after first ten days of sick leave
- Quarantined employees get 2 week's pay at full pay rate
- Other reasons, such as caregiver requirements, get paid at 2/3 pay rate (caps exist)
- After two weeks, applicable persons can be paid at 2/3 rate up to 10 more weeks
- IRS will reimburse for wages, payroll taxes and benefits
- Expires 12/31/20

[IRS](#)

- 2019 tax filing/payment deadline has been moved back to July 15, 2020
- New tax credits for providing sick leave. Pays 100% of wages and healthcare benefits costs. Can be applied for immediately.
- Employer share of payroll taxes are deferred until the end of 2020. 50% due on 12/31/21 and the other 50% due on 12/31/22

[Paycheck Protection Program](#)

- Designed to keep employees employed
- 100% federally guaranteed loans to small businesses
- Applies to for-profit and non-profit entities with less than 500 employees (exceptions exist)
- Loan amounts can be 2.5x average monthly payroll costs. (Can't exceed \$2 million)
- Pay per employee is capped at \$100,000
- Some, or all of this loan may be forgiven. Loan is forgiven only on amounts spent in the eight weeks after the loan.
- Additional guidance is still being provided

[Employee Retention Credit](#)

- Refundable payroll tax credit for 50% of wages paid from 3/13/20 through 12/31/20.
- Credit is based upon payroll taxes paid
- Credit is capped on the first \$10,000 of payroll per employee during applicable period



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Small Business Administration Loans

Check your business insurance first. Do you have interruption insurance that applies?

SBA Emergency Economic Injury Disaster Loans (EIDL Grants)

- For companies suffering economic injury
- Funds may be used for fixed debts, payroll, Accounts Payable and other reasons
- Up to \$2 million at 3.75%
- No personal guaranty
- Up to 30-year repayment schedule
- Advance of up to \$10,000 available in three business days

SBA Express Loans

- Can be used for a variety of business purposes
- Maximum loan amount is \$1 million at a variable interest rate
- SBA guarantees 50% of loan; other guarantees may be required
- Loan can be a term loan or a line of credit
- 36-hour application turnaround time
- Funds available within 90 days



Connecticut State Laws & Programs

Shared Work Program

- Allows employers to decrease hours of work while granting partial UI benefits to employees with reduced hours
- Employees receive the percentage of UC benefits as the percentage of work decreases
- The reduction of work cannot be less than 10% or more than 60%
- Cannot eliminate or reduce any fringe benefits during the duration of the approved plan

Innovation Fund Voucher Program

- Manufacturers or Allied Service Providers realigning or expanding capacity and capabilities to respond to the shortages of critical medical equipment and supplies shall be eligible for a one-time grant of up to \$75,000
- Eligibility shall be determined by DECD based on market prioritization, i.e. shortages at the time of application
- Must be a registered business for at least 3 years, currently generating revenue and have between 3-300 employees

Connecticut Subsidized Training and Employment Program (Step Up)

- Provides wage subsidies and training grants to employers that hire an unemployed jobseeker
- The wage subsidy helps pay a new employee's salary (up to \$12,000) for the first six months of employment
- The training grant provides employers up to \$12,500 over 180-day period to train a new employee

Incumbent Worker Training Program

- Grant used to help companies grow and maintain competitiveness by investing in training of their existing workforce
- A Business Services Consultant works directly with companies to design, develop, and provide funding for projects and can help organizations locate appropriate training providers

Work Opportunity Tax Credit

- Federal tax credit available to employers for hiring individuals from specific target groups who have consistently faced significant barriers to employment

On-The-Job Training

- Provides 50% wage reimbursement for eligible new hires for up to 6 months - dependent upon local approval

Other Guidance

- Top SBA lenders are Connecticut Webster Bank, People's United Bank, TD Bank, Liberty Bank, M&T