



BULLETIN #41/2020 APRIL 10, 2020

_CORONAVIRUS UPDATE #27

PPP LOAN APPLICANTS MAY DEFER EMPLOYER SOCIAL SECURITY TAXES

FEDERAL RESERVE, U.S. TREASURY LAUNCH NEW MAIN STREET LENDING PROGRAM

OSHA REMINDS EMPLOYERS OF WORKERS' RIGHTS

[This bulletin supplements our previous bulletins #11 and #16 through #40 on this subject matter. These bulletins are intended to be cumulative so we can avoid repeating the same information.]

PPP Loan Applicants May Defer Employer Social Security Taxes

[The following information is provided by our accounting partner, O'Connor & Drew.]

Earlier today, the IRS issued a FAQ on the deferral of certain payroll taxes provided under Section 2302 of the CARES Act.

Specifically, question 4 of the FAQ states that businesses that have applied for and received a PPP loan may defer the deposit and payment of the employer's share of social security tax that otherwise would be required to be made beginning on March 27, 2020.

Once an employer receives a decision from its lender that its PPP loan is forgiven, the employer is no longer eligible to defer deposit and payment of the employer's share of social security tax due after that date. However, the amount of the deposit and payment of the employer's share of social security tax that was deferred through the date that the PPP loan is forgiven continues to be deferred with 50% due on December 31, 2021, and the remaining 50% due on December 31, 2022.

The full FAQ may be found [here](#).

Finally, regarding the PPP loan documents and proceeds, Bart Haag of Albin, Randall & Bennett, an MSADA associate member, offers the following observation and guidance: "Now that funds are being deposited and loan documents are being presented, please make sure you review the loan document VERY carefully. Pay special attention to uses of the funds and forgiveness of the loan. We're starting to see documents from around the country and in some instances have concerns regarding the wording."

New Main Street Lending Program Launched



Yesterday the Federal Reserve and the Treasury Department initiated the Main Street New Loan Facility to provide additional liquidity for businesses, especially mid-sized businesses. A link to the announcement is available [here](#). The purpose of this program is to facilitate loans to fund payroll expenses for businesses that were in good financial standing prior to the Coronavirus crisis. The Fed has advised that Main Street Loans would be available to PPP loan recipients. While these loans will not have the extraordinarily favorable terms found in the PPP loan program, the Main Street Loan program will provide another source of liquidity to keep people on the payroll. NADA's summary of the new loan program can be accessed [here](#).

NADA Dealership Lifeline Webinars Available for Viewing

NADA today concluded its second week of its Dealership Lifeline Webinars program. The program is an initiative to help local dealerships navigate business and regulations in the Coronavirus environment. The webinars overall have been excellent and very informative. Access to previous webinars is available [here](#).

OSHA Reminds Employers of Workers' Rights During COVID-19

The Occupational Safety and Health Administration (OSHA) is reminding employers that it is illegal to retaliate against workers because they report unsafe and unhealthful working conditions during the Coronavirus pandemic. OSHA's [Whistleblower Protection Program](#) webpage provides valuable resources on worker rights, including [fact sheets on whistleblower protections for employees](#) in various industries and [frequently asked questions](#).

From your MSADA, we wish everyone a safe and healthy Easter weekend.