

COVID-19 Update: May 19 5 pm

Reminders: All previous bulletins and other resources listed at www.gpcovid.com. Send any questions to bizinfo@greaterpeoriaedc.org.

SBA Releases PPP Loan Forgiveness Application and Detailed Instructions

Late last week SBA released the Paycheck Protection Program (PPP) Loan Forgiveness Application and instructions. This guidance informs borrowers how to apply for forgiveness of their PPP loans. The SBA will soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities. Download the form [here](#).

The form and instructions include several measures to reduce compliance burdens and simplify the process for borrowers including:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles.
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving their PPP loan.
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness.
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30.
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined.

Over \$100 Billion in PPP Funds Still Available

Over one fourth of Paycheck Protection Program funds are still available. Entities qualifying for these low interest, partially forgivable loans include small businesses (fewer than 500 employees), sole proprietors, independent contractors, self-employed persons, and 501(c)(3) non-profit organizations. SBA has archived instructional webinars for all borrowers ([here](#)) and specifically for sole-proprietors, the self-employed and independent contractors ([here](#)). Contact your financial institution for more information. If you do not have a financial institution, send an email to bizinfo@greaterpeoriaedc.org and someone will help you find one.

Unemployment Benefits Now Available for the Self-Employed

From Bradley’s SBDC: IDES has opened applications for unemployment benefits for self-employed individuals and contractors. Typically, these are individuals who report their income to the IRS on a Schedule C or K1 with the net income carried over to their 1040 tax return but under normal circumstances do not qualify for unemployment benefits. IDES has updated its FAQ [here](#).

Here are some key steps to take:

- Start [here](#).
- You have to first file for regular unemployment benefits using the link “File for Regular Unemployment Benefits” option on the above website.
- Once that application is processed, it will be likely denied. (Reasons why a self-employed may not be denied would be if IDES determines the person was actually not self-employed, but worked for a company that should have paid them as a W2 employee.)

- Once you have been denied for regular benefits, return to the above site and select “File for Pandemic Unemployment Assistance (PUA).”
- Not only will you receive Illinois unemployment benefits, but the \$600 / week federal benefit will also apply for anyone receiving at least \$1 in benefits for a week. The benefits may be retroactive to the week of March 29, 2020.
- If you received PPP funds, you will likely not be eligible for PUA during the weeks you are paid using PPP funds.

Some additional tips to be prepared for filing:

- Be sure you have filed your 2019 taxes even if you will be waiting to pay any income taxes due by July 15, 2020.
- For your PUA benefits, IDES will accept this documentation: Form 1040, Schedule C; Form 1040, Schedule C-EZ; Form 1040-SR, Schedule C; Form 1040-SR, Schedule C-EZ; Schedule K-1 (Form 1065)
- If you lack any of the above, IDES will consider other documentation on a case by case basis.
- If you have not filed your 2019 taxes, go ahead and apply, but you’ll need to upload the 2019 tax documentation within 21 days.