



EQUITABLE

# CARES Act for small business owners

## Frequently asked questions

In these unprecedented times, we at Equitable understand your concerns about the financial impact of the current economic environment resulting from the COVID-19 pandemic.

**We know many business owners are handling urgent business issues as they struggle to continue daily operations.**

Many have been forced to lay off, temporarily furlough or reduce work schedules of their employees, creating an immediate need for financial assistance so impacted individuals can meet current living expenses.

We are providing these FAQs to help you be aware of the potential sources of economic relief provided by the CARES Act as you make critical decisions that may impact your business, as well as your employees.

### What is the CARES Act?

In response to the current COVID-19 pandemic, on Friday, March 27 the President signed the Coronavirus Aid, Relief and Economic Security Act (CARES Act or the Act) into law. This new law includes approximately \$2 trillion in emergency relief to address the economic effects of the COVID-19 pandemic for individuals and small businesses.

### What programs does the CARES Act provide for small businesses?

- Paycheck Protection Program
- Economic Injury Disaster Loans and Loan Advance
- SBA Debt Relief
- SBA Express Bridge Loans
- Other CARES Act provisions to help your business
- Guidance for businesses and employers for the workplace

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## How can Paycheck Protection Program loans help my business?

This program provides cash flow assistance through federally guaranteed loans as an incentive to employers who maintain their payroll during this emergency.

- In addition to payroll, this money can be used for rent, mortgage interest and utilities.
  - If employers maintain their payroll, the loans will be forgiven.
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## What are Economic Injury Disaster Loans and emergency injury grants?

These provide an emergency advance of up to \$10,000 to small businesses and private nonprofits harmed by COVID-19 within 3 days of applying for an SBA Economic Injury Disaster Loan.

- Grants and loans may be used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions or pay business obligations, including debts, rent and mortgage payments.
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## What does the SBA Bridge Loan Program allow for small businesses?

It allows small businesses that currently have a business relationship with an SBA Express lender to access up to \$25,000 with less paperwork.

- These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. They can be used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan.
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## Can the Small Business Debt Relief Program help me with previously secured SBA loans?

This program provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504 and microloans.

- Under this program, the Small Business Administration will cover all loan payments on previously secured SBA loans, including principal, interest, and fees for 6 months.
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## What other provisions are available to help my business?

- **The Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship** is a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during the COVID-19 crisis.
  - **Delay of Payment of Employer Payroll Taxes** allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments – one at the end of 2021, the other at the end of 2022.
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## Where can I get workplace guidance for COVID-19?

While there are many resources to get information on COVID-19; the SBA site, [www.sba.gov](https://www.sba.gov), provides interim guidance for businesses and employers to plan and respond to COVID-19.

Other sites with specific coronavirus guidance for individuals and businesses include:

Department of Labor – <https://www.dol.gov/coronavirus>

IRS – <https://www.irs.gov/coronavirus>

U.S. Treasury – <https://home.treasury.gov/coronavirus>

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## Where can I learn more about all the CARES Act programs to help small businesses?

Visit [www.sba.gov](http://www.sba.gov) for more information.

In addition to the program overview, they will provide additional information on:

- Who can apply
- How to apply
- More details
- Other assistance

### Talk with your financial professional and your own legal and tax advisors to:

- Review current financial circumstances.
- Learn about available state and federal resources designed to help business owners and employees.
- Review options for temporary modification of retirement plan employer contribution levels, if necessary.
- Review current retirement plan withdrawal provisions and assess potential financial needs of employee/participants based on their employment status.
- Review options to temporarily expand the availability of plan withdrawals and/or loans in this time of need.

For more information,  
visit [equitable.com](http://equitable.com).

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