



Monday, March 30, 2020

Dear HAWDC Member:

As a reminder, last week, Congress passed the CARES Act, to help provide relief to both businesses and individuals during the COVID-19 pandemic. The estimated effective date of the CARES Act is April 15th. The Small Business Administration, Department of Labor and Department of Treasury will provide guidance within 15-days.

Small Business Employer Relief:

- Paycheck Protection Program (PPP) is the biggest benefit for Small Business employers. Hotels may be considered a Small Business, if they employ not more than 500 employees per physical location of the business.
- Two Main Goals of PPP:
 - Give operators access to liquid cash now.
 - Allow operators to hire back laid off or furloughed employees and pay staff for an 8-week period.
- PPP provides a forgivable loan 2.5 times your monthly payroll for an 8 week period.
- In order for the loan to be 100% forgiven you must retain your entire staff. If you have already reduced staff or closed, you may hire back all of your employees.
- PPP can be used to cover:
 - Payroll

- Rent or lease obligations
- Utilities
- The PPP Application will be available after April 15th.
- Apply for PPP by April 30th to maximize the 8-week period, which ends June 30th.
- The PPP loan cannot be used in conjunction with the Employee Retention Tax Credit (ERTC) or Emergency Injury Disaster Loan (EIDL).

Employee Relief:

- The CARES Act provides an additional \$600 per furloughed, laid off or terminated employee in addition to the maximum amount that is paid by individual's state Unemployment Insurance.

Regards,
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