



Paycheck Protection Program Loan Forgiveness Application

Presented By
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Shareholder

PPP Loan Forgiveness Forms

NEW! EZ Forgiveness Application

- Simplified 2-page form for:
- Are self-employed and have no employees OR
- Did not reduce salaries/wages by more than 25% and did not reduce number or hours of employees OR
- Experienced reductions in business activity as a result of health directives related to COVID-19 and did not reduce salaries or wages by more than 25%

REVISED! Full Forgiveness Application

- Now only 4 pages long (down from 11 pages)
- Accounts for adjustments to FTE and salary/wage reductions

PPP Loan Forgiveness Forms

EZ Forgiveness Application Resources

- EZ application instructions – <https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Form-EZ-Instructions.pdf>
- EZ application link – <https://home.treasury.gov/system/files/136/PPP-Forgiveness-Application-3508EZ.pdf>

Full Forgiveness Application Resources

- Full application instructions – https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Instructions_1_0.pdf
- Full application link – <https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>

Forgiveness Estimator

- Paychex forgiveness estimator – <https://www.paychex.com/business-loans/loan-forgiveness-estimator>

EZ Forgiveness Application



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ**

OMB Control No. 3245-0407
Expiration Date: 10/31/2020

PPP LOAN FORGIVENESS APPLICATION FORM 3508EZ INSTRUCTIONS FOR BORROWERS

Checklist for Using SBA Form 3508EZ

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using this SBA Form 3508EZ if you can check at least one of the three boxes below. Do not submit this Checklist with your SBA Form 3508EZ.

- The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

- The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Also ignore reductions in an employee’s hours that the Borrower offered to restore and the employee refused. See [85 FR 33004](#), 33007 (June 1, 2020) for more details.

- The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

EZ Forgiveness Application

Am I eligible for the EZ Forgiveness Application?

- Do I meet one of the following criteria? (See page 1 of the EZ application instructions):
 - Are self-employed and have no employees OR
 - Did not reduce salaries/wages by more than 25% and did not reduce number or hours of employees OR
 - Experienced reductions in business activity as a result of health directives related to COVID-19 and did not reduce salaries or wages by more than 25%
- Can I make all the required certifications? (See page 2 of the EZ application):
 - Funds were used for eligible costs
 - Did not reduce salaries/wages by more than 25%
 - Did not reduce number or hours of employees OR was unable to operate
 - Documentation provided to lender
 - Information in application is correct
 - Others

EZ Forgiveness Application

What information do I need to complete EZ application?

- Line 1: Payroll costs
- Line 2: Business mortgage interest payments
- Line 3: Business rent or lease payments
- Line 4: Business utility payments

How to I calculate my forgiveness amount?

- Line 5: Add the amounts on lines 1, 2, 3, and 4
- Line 6: Enter the PPP loan amount
- Line 7: Divide line 1 by 0.60
- Line 8: Enter the smallest amount of lines 5, 6, and 7

Line 8 is your loan forgiveness amount

EZ Forgiveness Application

Eligible Payroll Costs

- Cash compensation
 - For 8-week covered period = \$15,385 per employee
 - For owner compensation = 8/52 of 2019 compensation (up to \$15,385)
- Employee benefits
 - Employer contributions for employee health insurance (but not for self-employed, general partners, or S-corp owners-employees)
 - Employer contribution for employee retirement plans (but not for self-employed, general partners, or S-corp owners-employees)
 - Employer state and local taxes (e.g., state unemployment insurance tax)

Eligible Non-Payroll Costs (in place before February 15)

- Business mortgage interest payments (no prepayments)
- Business rent or lease payments (real or personal property)
- Business utilities (electricity, gas, water, transportation, telephone, or internet)

Full Forgiveness Application



**Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Business Address	Business TIN (EIN, SSN)	Business Phone
		() -
	Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

Weekly Biweekly (every other week) Twice a month Monthly Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Full Forgiveness Application

What information do I need to complete EZ application?

- Line 1: Payroll costs
- Line 2: Business mortgage interest payments
- Line 3: Business rent or lease payments
- Line 4: Business utility payments

How do I calculate adjustments for FTE and salary/wage reductions?

- Line 5: Enter the salary/wage reduction amount from Schedule A, line 3
- Line 6: Add the amounts on lines 1, 2, 3, and 4, then subtract the amount on line 5
- Line 7: Enter the FTE reduction quotient from Schedule A, line 13

Full Forgiveness Application

How to I calculate my forgiveness amount?

- Line 8: Multiply line 6 by line 7
- Line 9: Enter the PPP loan amount
- Line 10: Divide line 1 by 0.60
- Line 11: Enter the smallest amount of lines 8, 9, and 10

Line 11 is your loan forgiveness amount

Full Forgiveness Application – Schedule A

How do I calculate my FTE and salary/wage reductions on Schedule A?

- Calculate employee cash compensation, average FTE, and salary/wage reduction
 - Complete table 1 and table 2 on Schedule A Worksheet
- Line 1: Enter cash compensation for each employee \leq \$100,000 (table 1, box 1)
- Line 2: Enter average FTE for each employee \leq \$100,000 (table 1, box 2)
- Line 3: Enter salary/wage reduction for each employee \leq \$100,000 (table 1, box 3)
- Line 4: Enter cash compensation for each employee $>$ \$100,000 (table 2, box 4)
- Line 5: Enter average FTE for each employee $>$ \$100,000 (table 2, box 5)

Full Forgiveness Application – Schedule A

How do I calculate non-cash compensation payroll costs on Schedule A?

- Line 6: Enter the total amount paid or incurred for employer contributions for employee health insurance
- Line 7: Enter the total amount paid or incurred for employer contributions for employee retirement benefits
- Line 8: Enter the total amount paid or incurred for employer state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax)

How do I calculate compensation to owners on Schedule A?

- Line 9: Enter the total amount paid to self-employed, general partners, or S-corp owners-employees (if none, enter 0)

How do I calculate my total payroll costs on Schedule A?

- Line 10: Add the amounts on lines 1, 4, 6, 7, 8, and 9

Full Forgiveness Application – Schedule A

How do I calculate my FTE reduction quotient on Schedule A?

- Line 11: Enter the average FTE from your chosen reference period
- Line 12: Add lines 2 and 5
- Line 13: Divide line 12 by line 11 to calculate your FTE reduction quotient (enter 1.0 if you did not reduce the number or hours of employees or if you satisfy either one of the EXCEPTION safe harbors below)
- EXCEPTION:
 - Safe harbor 1: You were unable to operate between February 15 and the end your covered period at the same level of business activity as before February 15 due to compliance with HHS, CDC, or OSHA requirements issued between March 1 and December 31
 - Safe harbor 2: If you reduced FTE between February 15 and April 26, and your average FTE on December 31 or the date the application is submitted is greater than or equal to your average FTE on February 15 (Schedule A Worksheet)

Full Forgiveness Application

Eligible Payroll Costs

- Cash compensation
 - For 8-week covered period = \$15,385 per employee
 - For owner compensation = 8/52 of 2019 compensation (up to \$15,385)
- Employee benefits
 - Employer contributions for employee health insurance (but not for self-employed, general partners, or S-corp owners-employees)
 - Employer contribution for employee retirement plans (but not for self-employed, general partners, or S-corp owners-employees)
 - Employer state and local taxes (e.g., state unemployment insurance tax)

Eligible Non-Payroll Costs (in place before February 15)

- Business mortgage interest payments (no prepayments)
- Business rent or lease payments (real or personal property)
- Business utilities (electricity, gas, water, transportation, telephone, or internet)

Other Items

SBA/Treasury “Enhanced Transparency” Announcement

- Disclosure of the names, addresses, NAICS codes, zip codes, business type, demographic data, non-profit information, jobs supported as follows:
 - \$150K-\$350K
 - \$350K-\$1M
 - \$1M-\$2M
 - \$5M-10M
- Information for loans under \$150K will be aggregated
- Doesn't mean more detailed information won't be disclosed (e.g., exact loan amount and names of owners/affiliates), but likely means more detailed information will be disclosed only in response to a specific FOIA request

PPP Flexibility Act

- 24-week covered period; possible 5-year maturity on non-forgiven amounts
- Expanded eligibility threshold for applicants/owners with non-financial felonies

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Questions? Thank you!

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