

COVID-19 HELPS for PERSONAL and SMALL BUSINESS NEEDS

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PERSONAL:

- The following link has information on a broad range of items that may help a family or individual that may need assistance.

The Connecticut Department of Labor has a great Q & A document that you can go to by clicking here -<http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>. The information contained in this document is comprehensive and will answer many questions you may have about unemployment, furloughs and the Shared Work Program.

- Unemployment: The latest guidance we are getting from our contacts at CT DOL is that if there is a real potential that you are going to get laid off you should file for unemployment, regardless of your current status and eligibility, in order to get your claims into the system. At some point in the future, they will be going into the system and assessing and evaluating each situation on a case-by-case basis.
- Unemployment assistance: Workers directly impacted by the coronavirus pandemic no longer must be actively searching for work.
- Health Insurance:

Anyone who loses employment qualifies for health insurance through AccessHealthCT.

Office of Health Strategy is reminding all Connecticut residents that any worker in the state who receives health insurance through their employer, becomes unemployed, and loses minimum essential coverage or whose COBRA expires – whether it is due to the COVID-19 outbreak or otherwise – qualifies all year-long for open enrollment through AccessHealthCT, the state's health insurance marketplace. Those interested in applying can find more information at

<https://www.accesshealthct.com/AHCT/LandingPageCTHIX>

Hours to Call Monday thru Friday 8am to 5pm 1-855-805-4325

With the exceptional circumstances due to the spread of the coronavirus, COVID-

19, [Access Health CT \(AHCT\)](#) announced that a NEW Special Enrollment Period (SEP) will be available to uninsured Connecticut residents to sign up for a health insurance plan.

The new SEP is going on now and ends Thursday, April 2, 2020. Connecticut residents must be lawfully present in the United States, and not incarcerated, to be eligible. The coverage for those who enroll during this [new special enrollment period](#) will start on **April 1, 2020.**

Important points to note:

- This only applies to On-Exchange plans - this NEW Special Enrollment Period is not available Off Exchange and must be processed through Access Health CT.
- This only applies to uninsured individuals/families - those with existing health coverage are not eligible.
- The effective date of coverage will be April 1, 2020 (including those that apply on April 1 or April 2, 2020).
- The only way to sign up for this NEW Special Enrollment Period is by calling 1-855-365-2428. Consumers may work through a broker of record to apply for coverage.
- Individuals who experience a Qualifying Life Event (e.g. loss of coverage due to job change) can use existing methods for all other SEP enrollments: online, in-person, or over the phone.
- Uninsured consumers should apply now to take advantage of this opportunity to secure coverage for the remainder of the year. Beyond Qualifying Life Events (as noted above), there will not be another SEP solely for those who are uninsured and who do not experience a Qualifying Life Event.

If you have questions, contact Access Health CT at **1-855-365-2428**, go to www.accesshealthct.com, or contact your Anthem Sales Representative.

NEW 4/17/2020 UPDATE/STREAMLINE

Waiver of 2020 Required Minimum Distributions (RMDs)

- Qualified 401(a)/(k), 403(b), governmental 457(b), IRAs, Inherited IRAs plans **will not** be required to make any RMD payments for 2020; specifically:
 - Participants who turned age 70½ prior to 2019 will not be required to receive an ongoing RMD for 2020.
 - Participants who turned age 70½ in 2019 and who did not receive their first RMD for 2019 on or before January 1, 2020 will not have to receive their first (2019) RMD or their 2020 RMD.
 - Beneficiaries receiving life expectancy payments will not be required to receive their 2020 beneficiary RMD.
 - Beneficiaries who have an account balance in the plan subject to the five-year distribution rule may extend their required distribution by one year (full distribution of the account must be made by the 6th anniversary of the participant's death).

Charitable Contributions – Above the Line Deduction

- Beginning with 2020 tax returns, taxpayers will be able to claim up to **\$300** in *cash* contributions to charity as a deduction without itemizing.
 - You can't claim this deduction if you itemize deductions on your 2020 tax return (i.e., you must claim the standard deduction).
 - For individuals who itemize deductions, the 60% of adjusted gross income limitation for cash contributions is suspended for 2020.

CARES Act – Regarding Health Savings Accounts – HSAs

- The sections pertinent to HSAs are:
 - HSA-qualified high deductible health plans can now provide access to telehealth services prior to meeting the annual deductible and without impacting HAS eligibility
 - This is a temporary provision set to end December 31, 2021; please check with your employer or health plan to fully understand COVID-19 coverage and costs
 - You can now purchase over-the-counter (OTC) medical products without a prescription from a physician, including pain relievers, cold medicines, bandages and more; this is a permanent change retroactive to January 1, 2020
 - The IRS moved Tax Day to July 15, 2020 and set that date as the prior-year contribution deadline for the 2019 tax year for HSA contributions
 - Excess contribution corrections to HSAs: The IRS has not changed the deadline to correct excess contributions for the 2019 tax year, keeping the date at April 15, 2020

HSAs are tax-deductible, tax-deferred, and tax-free distributions - \$3,450 per individual and \$6,900 for families (plus a \$1,000 catch-up contribution)

CARES Act – Regarding Health Insurance on the Access Health CT Exchange

- With the exceptional circumstances due to the spread of the coronavirus, COVID-19, Access Health CT (AHCT) announced that a **NEW Special Enrollment Period (SEP)** will be available to uninsured Connecticut residents to sign up for a health insurance plan.
- **Date to enroll was extended to April 17th, 2020 for qualified UNINSURED CT RESIDENTS.** Connecticut residents must be lawfully present in the United States, and not incarcerated, to be eligible. The coverage for those who enroll during this new Special Enrollment Period will start on April 1, 2020.

Important points to note:

- This only applies to On-Exchange plans - this NEW Special Enrollment Period is not available Off Exchange and must be processed through Access Health CT.
- This only applies to uninsured individuals/families - those with existing health coverage are not eligible.
- The effective date of coverage will be April 1, 2020 (including those that apply on April 1 or April 2, 2020).
- The way to sign up for this NEW Special Enrollment Period is by calling **1-855-365-2428**. Consumers may work through a broker of record to apply for coverage.
- Individuals who experience a Qualifying Life Event (e.g. loss of coverage due to job change) can use existing methods for all other SEP enrollments: online, in-person, or over the phone.
- Uninsured consumers should apply now to take advantage of this opportunity to secure coverage for the remainder of the year. Beyond Qualifying Life Events (as noted above), there will not be another SEP solely for those who are uninsured and who do not experience a Qualifying Life Event.

CARES Act – Regarding Student Loan Payments

- Student loan payments suspended. The bill allows individuals to **defer payments** on federal student loan payments, principal and interest through Sept. 30, 2020.
- It also allows students whose universities have canceled classes to keep Pell Grants.
- **Employers** can also provide a student loan repayment benefit to employees on a tax-free basis up to **\$5,250** and such payment would be excluded from the employee's income. The new provision applies to any student loan payments made by an employer on behalf of an employee after the law's enactment and before January 1, 2021.

CARES Act – Regarding Recovery Rebates

- Direct cash payments for consumers. The bill provides "recovery rebates" of up to **\$1,200** for individuals earning an adjusted gross income (AGI) of less than \$75,000, or \$2,400 for joint filers earning less than \$150,000. The amount increases by **\$500** for each child. The rebate is phased out above those AGI limits. The amounts are not taxable income.

SMALL BUSINESS:

Update June 12th, 2020

Up-date to the Small Business Paycheck Protection Program Forgivable Loans

Some or most of you are probably already aware of these changes but we wanted to make sure we communicated them if there was a chance some were not.

There is still money available and you can still apply thru the end of the year for a forgivable loan.

UPDATES:

- The **“covered period”** for forgiveness related to the loan funds has been increased from **eight (8) weeks to twenty-four (24) weeks**.
- Forgivable expenses that are not “payroll costs,” including rent, utilities, mortgage payments, and other interest, are **now permitted to amount to up to forty percent (40%)** of the forgivable amount, an increase from twenty-five percent (25%) under the original PPP.
- The deferral on payments has been **extended from six (6) months to twelve (12) months**.
- **All new PPP loans originated after the enactment shall have a five (5) year maturity**, an increase from two (2) years under the original PPP. Lenders shall have the ability to modify the existing loan terms to increase the maturity to five (5) years.
- **Safe Harbor for Rehiring Workers:** Loan forgiveness under the PPP remains subject to reduction in proportion to any reduction in a borrower’s full-time equivalent employees (“FTEs”) against prior staffing level benchmarks. **The Act extends the PPP’s existing safe harbor deadline to December 31, 2020:** borrowers who furloughed or laid-off workers will not be subject to a loan forgiveness reduction due to reduced FTE count as long as they restore their FTEs by the deadline.
- **New Exemptions from Rehiring Workers:** Firstly, the forgiveness amount will not be reduced due to a reduced FTE count if the borrower can document that they **attempted, but were unable**, to rehire individuals who had been employees on February 15, 2020. Secondly, the forgiveness will not be reduced due to a reduced FTE count if the borrower, **in good faith, can document an inability to return to the “same level of business activity” as prior to February 15, 2020 due to sanitation, social distancing, and worker or customer safety requirements**.
- **Loan Deferral Period:** The Act extends the loan deferral period to (a) whenever the amount of loan forgiveness is remitted to the lender or (b) 10 months after the applicable forgiveness covered period if a borrower does not apply for

forgiveness during that 10-month period. Under the unamended PPP, a borrower's deferral period was to be between 6 and 12 months.

- **Payroll Tax Deferral:** The Act **lifts the ban** on borrowers whose loans were partially or completely forgiven from deferring payment of payroll taxes. The payroll tax deferral is **now open to all PPP borrowers.**

Many of you as business owners belong to an association for your specific Industry. This would be a good resource to reach out to.

SBA ASSISTANCE:

- Governor Lamont asked the U.S. Small Business Administration and the CT Department of Economic and Community Development (DECD) to begin offering disaster-relief loans to Connecticut small businesses and non-profits. Companies can now apply for loans of up to \$2 million through a special page [on the sba.gov website](#) . SBA also has more [valuable information for businesses](#).
- Connecticut could begin offering small business recovery loans through the "Small Business Bridge Loan Program" as early as next week. Bridge loans would be low interest, short-term loans designed to help small businesses who need cash to cope with issues caused by COVID-19 public health crisis. These loans are intended to provide up to \$75,000 per company for a term of 18 months. More to come on this
- Connecticut Department of Labor has a shared work program that will pick up anywhere from 10 percent to 60 percent of wage costs in exchange for employers giving workers part-time hours rather than laying them of. For more information visit https://www.ctdol.state.ct.us/progsupt/bussrvce/shared_work/
- The U.S. House of Representatives approved a major coronavirus bill that will give Connecticut \$400 million in additional funding and guarantee all workers 2 weeks of paid sick leave and up to three months of paid family and medical leave (more detailed summary below). The bill now heads to the Senate, which is expected to approve the package on Monday and send to the President for his signature.
- **The next 2 pages are in reference to a Federal Law that was passed this past Friday afternoon. In short, it's a forgivable loan that does have some qualifications and guide lines. Following information is a brief explanation of the Forgivable loan.**

This Forgivable Loan is accessible thru SBA Approved lenders. The best way to inquire is to call your bank and talk to them.

Small Business Paycheck Protection Program Forgivable Loans

The CARES Act expands the ability to obtain loans under Section 7(a) of the Small Business Act through a new \$349 billion Paycheck Protection Program.

Under the program, small businesses that have fewer than 500 employees are eligible for small business loans to cover payroll; health care costs; mortgage interest payments, rent and utility payments; and interest on pre-existing debt obligations.

The amount of the loan cannot exceed the sum of 2.5 times the average monthly payroll cost during the year prior to the loan and the amount of economic injury disaster loans being refinanced under the program; it must be capped at \$10 million and have a maximum interest rate of 4%.

A formula will be used to determine the amount of the loan based on payroll costs incurred by the business (in order to determine the size of the loan). Allowable uses include payroll (employee salaries, paid sick or medical leave), insurance premiums, and mortgage/rent, and utility payments.

Loans are available to eligible borrowers under the program through June 30, 2020, fees are waived, payments are deferred by at least 6 months, but not more than one year, and the SBA's "credit elsewhere" test (the ability to obtain funding from other sources without undue hardship) is waived.

Loans under the program are fully guaranteed by the federal government, which is an increase to the existing guarantee percentages under the current SBA loan program. Collateral and personal guarantees are not required.

To be eligible, a borrower must be in operation on February 15, 2020, and have paid employee salaries and payroll taxes. A business is not eligible to receive these loans if it receives an economic injury disaster loan for the same purpose.

Loans under the program are eligible for forgiveness up to the aggregate amount of payroll payments, interest payments on mortgage obligations, rent payments and utility payments made during the eight-week period following loan origination as long as the amount does not exceed the original principal.

The amount forgiven is lowered by reductions in full-time employment and in situations where total salaries and wages fall by more than 25% from the applicable prior period, but this can be

mitigated by rehiring employees. Amounts not forgiven continue to be guaranteed and will have a maximum maturity date of 10 years from the date the borrower applied for loan forgiveness.

[Link to Additional Resources](#)

Application Process & Loan Forgiveness

Call your bank today - Businesses may file applications with an SBA-approved lender. Lenders have been delegated authority to make loans without SBA review. Eligible applicants will have been in operation on February 15, 2020, and will have paid employees and payroll taxes or independent contractors.

Applicants will need to certify that the loan is necessary, and will be used to retain workers and pay eligible expenses. Applicants will further need to certify that no other application for a loan for the same purpose is pending and that the entity has not received any other loan for the same purposes through December 31, 2020.

Forgiveness of loans will be equal to the amount actually paid for payroll costs, salaries, benefits, rent, utilities and mortgage interest during the eight weeks following disbursement of the loan.

The forgiveness amount is subject to reduction if there is a workforce reduction or a reduction in the salary or wages of an employee.

The amount attributable to a salary or wage reduction will be the amount of any salary or wage decrease in excess of 25 percent of the total salary or wages during the most recent full quarter such employee was employed before the eight-week period. Only employees who did not receive, during any single pay period during 2019, wages or salary at an annualized rate of pay in excess of \$100,000 are included in this calculation.

Reductions in workforce, salaries and wages that occur from February 15, 2020 to April 26, 2020 will be disregarded for purposes of reducing the forgiveness amount so long as the reductions are eliminated by June 30, 2020.

Borrowers must apply for forgiveness with the lender servicing the loan. Lenders have 60 days to review and make a determination. Any portion of the loan that is forgiven will be excluded from gross income.

[More Loan Info from SBA](#)

NEW APRIL 1st, 2020

SBA ECONOMIC INJURY DISASTER LOAN & EMERGENCY GRANT

<https://www.schatz.senate.gov/coronavirus/small-businesses/sba-economic-injury-disaster-loan-and-emergency-grant>