

From: [Kathy Hettick](#)
Subject: Small business update #3
Date: Tuesday, March 31, 2020 8:35:11 AM
Importance: High

In addition to the resources and information listed below in my Small Business Update #2, I wanted to give you a brief summary of more recent legislation and guidance surrounding **payroll and employment issues**. At Hettick Accounting, we are committed to our small businesses and helping you in any way possible to weather the COVID-19 storm.

1. **The Coronavirus Aid, Relief, and Economic Security Act (CARES Act)** was signed into law on March 27, 2020. This is a sweeping \$2.2 trillion aid package and has numerous implications for individuals and small businesses. We await guidance on many of these provisions, but here are the basics on the major payroll related sections:
 - a. **Employee Retention Credit:** This is a 50% payroll tax credit, up to \$10,000 per employee, granted to employers who are continuing to pay employees who are not working due to COVID-19. For an employer to begin to be eligible, operations of the company have to be fully or partially suspended during a quarter either as a result of a governmental authority or in which revenue in 2020 has less than 50% of the revenue from the same quarter in 2019. The credit applies to wages paid between March 12 and before January 1, 2021. We await specific guidelines on how the payroll tax credit will be taken.
 - b. **Payroll Tax Deferral:** Again, this is to assist employers who are retaining employees during the time of shutdown or quarantine and allows the deferral of 6.2% (the employer portion) of payroll taxes until the end of 2021 and 2022. This relief is also available for self-employed persons with respect to the “employer equivalent” of the self-employment taxes.
 - c. **Paycheck Protection Program:** This is a loan program administered by SBA, the goal being to help employers retain their employees and help cover near-term operating expenses. Certain small businesses can qualify for a loan up to 2.5x payroll costs to cover payroll, rent, utilities, health insurance, mortgage interest, etc. These loans, with a maximum interest rate of 4%, may be eligible for forgiveness, if spent within the first 8 weeks of receiving the funds and used for the expenses previously listed, as long as the employer maintains the same level of employment between 2/15/2020 through 6/30/2020 as it did during the same period in 2019 or from 1/1/2020 through 2/15/2020. These loans must be applied for by June 30, 2020. Check with your local banker or the SBA website:
<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
2. If you are an “essential” business and have stayed open, please understand your requirements under the **Families First Act** if one of your employees is affected by COVID-19.
https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave?fbclid=IwAR3LZiyd6gyP2nYNhhOfZukVr1b1u_xbw6XYIGU92wqW8hf5AObd4g9bdAY
<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>
3. For the latest developments at the **Washington State** level, be sure and visit the sites below, or
<https://coronavirus.wa.gov/>
4. For an easy to read summary of the CARES Act, check out this article
<https://www.forbes.com/sites/leonlabrecque/2020/03/29/the-cares-act-has->

[passed-here-are-the-highlights/#49f7fa4068cd](#)

Our office continues to be closed to all foot traffic, but we continue to work both in the office and remotely. I thank you for your patience and understanding during this incredibly busy tax season amidst a constant stream of new tax legislation and guidelines. Please contact me via email with any questions specific to your business!

And most importantly, please stay safe and healthy!

Kathy

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From: Kathy Hettick
Sent: Sunday, March 22, 2020 4:27 PM
Subject: **Small business update #2**

During this very difficult time, I hope this email finds you staying safe and healthy.

I am reaching out to you, again, in an effort to keep you informed of the latest news developing for small businesses and financial and payroll assistance due to COVID-19. We are in a time of daily information overload, but I cannot emphasize enough how important it is for you to try and digest some of the programs now available. As this crisis continues to evolve, I will update you with the latest information as best I can.

Resources available:

1. **The Families First Act** was signed into law on March 18 that addresses both paid sick leave and paid family leave. This may be an opportunity for you to recapture the funding of keeping employees on paid leave:
<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus>
2. Employment Security Department has **updated** various guidelines and FAQs for employees and employers in regard to unemployment and lay-offs:
<https://esd.wa.gov/newsroom/covid-19>
3. **Disaster Assistance** is now available to all Washington Small Businesses impacted by COVID-19:
<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
4. Department of Revenue (DOR) has **expanded** information on extensions of time to file and pay:
<https://dor.wa.gov/about/2019-novel-coronavirus-outbreak-covid-19-update>
5. Washington State has developed an official COVID-19 site. This is a great resource:
<https://coronavirus.wa.gov/>

6. Labor and Industries has also issued updated guidelines and resources:

<https://www.lni.wa.gov/agency/outreach/novel-coronavirus-outbreak-covid-19-resources>

We are here for you! Although our office is closed to all foot traffic, I will continue to work both in the office and remotely. While I continue to work, the rest of my staff are home with their families as we are doing our part to keep our community safe and healthy.

Please take care!

Kathy

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