

March 26, 2020

Dear Client:

Last night, the Senate passed the \$2 Trillion stimulus bill – Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Please note, the bill must be approved by Congress and signed by President Trump before these provisions can be considered final.

In a continued effort to keep our clients informed, below are more details of the package:

- Give one-time direct payments of up to \$1,200 for individuals and \$2,400 for couples, with \$500 added for every child, based on 2019 tax returns for those who filed them and 2018 information if they have not. The benefit would start to phase out above \$75,000 in income for individuals and \$150,000 for couples, going away completely at the \$99,000 and \$198,000 thresholds, respectively.
- Boost unemployment insurance, adding up to \$600 per week for up to four months on top of what beneficiaries normally receive from states. It expands eligibility to self-employed people and independent contractors.
- Create a \$500 billion pool of taxpayer money to make loans, loan guarantees or investments to or in businesses, states and municipalities damaged by the crisis.
- Give \$350 billion in loans for small businesses to cover salary, wages and benefits, worth 250% of an employer's monthly payroll, with a maximum loan of \$10 million.
- Include a tax credit for retaining employees, worth up to 50% of wages paid during the crisis, for businesses forced to suspend operations or that have seen gross receipts fall by 50% from the previous year.
- Delay payroll tax for employers, requiring half of the deferred tax to be paid by the end of 2021 and the other half by the end of 2022.
- Suspend federal student loan payments through Sept. 30 with no accrual of interest on those loans.

Please note, The CARES Act includes provisions that are not discussed here. We have highlighted the points that we feel most closely impact our individual and business clients. We are analyzing the details as they become available and will continue to update you as we identify the provisions that you could potentially benefit from and the logistics of how to utilize the benefits for which you are entitled.

Sincerely,

Woolston Consulting Group, LLC

Certified Public Accountants