**THE 2020 CARES ACT Summary for Individuals, Families and Small Businesses**

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) is a **$2 trillion** stimulus package that aids American households and businesses affected by the coronavirus (COVID-19) pandemic. Its components include stimulus payments to individuals, expanded unemployment coverage, student loan changes, different retirement account rules, Small business assistance and more.

**RESOURCES AVAILABLE TO INDIVIDUALS AND FAMILIES**

**DIRECT PAYMENTS TO AMERCIAN WORKERS**

* Taxpayers are entitled to direct tax rebates in the form of cash payments of up to **$1,200** for individuals or $**2,400** for couples, with an additional **$500** cash payment available per child for qualifying age (16 or under).
* Full payment is available for Americans making up to **$75,000** (individuals) and **$150,000** (married) while phasing out at the $99,000 (Individuals) and the $198,000 (married) annual income levels.

**RETIREMENT ACCOUNTS**

* Individuals are allowed in 2020 to take distributions from their qualified retirement accounts, such as 401(k) plans and IRAs, of up to **$100,000** without having to pay the **10%** penalty on early distributions if the distribution is related to adverse financial consequences as a result of contracting COVID-19, or related factors.
* Any withdrawal amount required to be included in gross income may be spread out over a three-year period for this purpose.

**HEALTHCARE and PAID SICK LEAVE PROVISIONS**

* The rules for high-deductible health plans (HDHPs) are amended to allow them to cover telehealth and other remote care services without charging a deductible.
* Over-the-counter menstrual care products are added to the list of items that can be reimbursed out of a health savings account, Archer medical savings account, or health reimbursement arrangement.

**RESIDENTIAL MORTGAGE FORBEARANCE and FORECLOSURE MORATORIUM**

* A borrower with a federally backed mortgage loan experiencing financial hardship as a result of the emergency may obtain a forbearance of up to **180** days, regardless of delinquency status, which may be extended for an additional period of up to **180** days at the request of the borrower.
* During such forbearance, no fees, penalties, or added interest shall be charged on delayed payments.
* For the **60-day** period beginning **18 MAR 2020**, no servicer of a federally backed mortgage may initiate any foreclosure or execute a foreclosure-related eviction (except in the case of vacant or abandoned property).

**TEMPORARY RELIEF for FEDERAL STUDENT LOAN BORROWERS**

* The Act automatically defers payments for federally owned student loans for six months, through **30 SEP 2020.**

**RESOURCES AVAILABLE FOR SMALL BUSINESSES**

**PANDEMIC UNEMPLOYMENT ASSISTANCE - Section 2102**

This section covers individuals who would not otherwise be eligible for unemployment insurance and benefits – the self-employed, independent contractors, gig workers, part-time employment seekers, those who lack sufficient work history, or who have exhausted their unemployment benefits under existing schemes – provided they are able to self-certify that they are unemployed, partially unemployed, or unable or unavailable to work.

**PAYCHECK PROTECTION PROGRAM (PPP)**

* The CARE Act includes a small business loan program, known as the Paycheck Protection Program (PPP), that makes available forgivable loans of up to $10 million Proof of payroll costs – very relaxed standards compare to previous SBA requirements.

**SBA ECONOMIC INJURY DISASTER LOANS (EIDL)**

The SBA’s Economic Injury Disaster Loans (EIDLs) are designed to help meet working capital needs caused by the disaster and are available regardless of whether the business suffered any physical property damage. This is the first time a virus or pandemic event has been defined as a disaster.

**Who is eligible?**

* Companies with fewer than **500** employees – some limited exceptions
* Certain individual independent contractors, cooperatives, ESOPs and tribal small business concerns.
* Suffered an economic injury

**IMMEDIATE EIDL $10,000 GRANTS**

* The CARES Act also makes available grants for up to **$10,000** for small businesses that have applied for the Economic Injury Disaster Loans and meet other eligibility requirements.

**DEBT RELIEF FOR NEW and EXISTING SBA BORROWERS**

* The CARES Act provides immediate relief to small businesses with SBA 7(a), 504, and microloans.
* For existing borrowers, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the enactment of the CARES Act.