



MICHAEL BENNET
U.S. SENATOR *for* COLORADO

Support for Workers, Families, and Employers

*To Address the Economic Fallout of the Coronavirus Disease 2019
(COVID-19) Public Health Crisis*

Last Updated 7/6/20 4:00 p.m. MST

Direct Economic Support Payments (“Recovery Rebates”):

- **Eligibility and structure of the \$1,200 payment per taxpayer and \$500 payment per child:**
 - The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides for a \$1,200 direct economic support payment (“recovery rebate”) for single tax filers and heads of households (\$2,400 for married couples filing joint returns), along with a \$500 payment per qualifying child dependent under age 17.
 - The total amount of payments for which the taxpayer is eligible phases out at a 5% rate (\$50 per \$1,000 earned) above adjusted gross incomes of \$75,000 for single filers; \$122,500 for taxpayers filing as a head of household; and \$150,000 for taxpayers filing jointly.
 - There is no minimum income, meaning that all recipients with incomes below the phase-out thresholds will receive the same amount.
 - Find more information about the direct cash payments [HERE](#).
- **How and when to claim:**
 - **For tax filers:** These payments are structured as tax credits automatically advanced to households in 2020 if they filed an income tax return for 2019 and will be received as a direct deposit or check by mail. If a 2019 return has not been filed, rebates will be advanced automatically based on 2018 return information.
 - **For Social Security, Disability Insurance (SSDI), Railroad Retirement, Supplemental Security Income (SSI), and Dept. of Veteran Affairs recipients:**

The U.S. Department of Treasury and the Internal Revenue Service (IRS) has delivered payments to most Social Security, Disability Insurance (SSDI), Railroad Retirement, Supplemental Security Income (SSI), and Veteran Affairs recipients automatically, alongside regular benefit payments in whatever form those benefits are received. However, if you did not file a 2019 or 2018 tax return and are required to, you should file your 2019 return as soon as possible.

- **For people who do not ordinarily file:** Otherwise eligible individuals who did not file a 2019 or 2018 income tax return and are not required to file a 2019 return will generally not automatically receive the benefit in 2020. In order to receive the benefit in 2020, these individuals will need to use the [non-filer portal at IRS.gov](#). Alternatively, they can file and claim this benefit on their 2020 tax return next year.
- **More information:**
 - More information from the IRS is available [HERE](#).

Unemployment Benefits:

Benefits for Workers:

- **Unemployment weekly benefit increased by \$600:** The CARES Act provides an additional \$600 per week in unemployment compensation beyond the base unemployment benefit amount for every American effective until July 31, 2020. This increase is designed to result in approximately full replacement of lost wages for the average American who has been laid off or furloughed due to the public health crisis.
- **Unemployment benefit extended by 13 weeks:** Employees will be able to file for an additional 13 weeks of unemployment insurance benefits, beyond the 26 weeks already provided in Colorado. That means that employees in Colorado who have lost their jobs or been furloughed can now file for up to a total of 39 weeks of unemployment, and people who have been on unemployment and were at risk of having those benefits exhaust during the public health crisis can now extend the duration of that assistance for 13 additional weeks.
- **New unemployment benefits for individuals who do not qualify for regular unemployment compensation:** Workers who did not previously qualify for unemployment compensation can now access Pandemic Unemployment Assistance (PUA). You may now qualify for unemployment if:

- You work for an employer who temporarily ceases operations or furloughs employees due to COVID-19, preventing employees from coming to work;
 - You are quarantined with the expectation of returning to work after the quarantine is over;
 - You leave employment due to a risk of exposure or infection or to care for a family member; or
 - You are a self-employed worker (including gig workers and independent contractors), part-time worker, or have a limited work history and would otherwise be eligible for unemployment benefits. Previously, workers in these categories were often excluded from receiving benefits.
- **More information/how to apply:**
 - Guidance on whether you now qualify for unemployment benefits is available [HERE](#).
 - File for unemployment benefits in Colorado [HERE](#).

For Employers, Sole Proprietors, Independent Contractors, Gig Workers:

- **Short-time compensation and work-sharing:** The CARES Act provides federal funding to pay workers when employers are forced to reduce hours because of COVID-19. Employers can access funding to support short-time compensation (STC) or work share programs, in which employers reduce employees' hours instead of furloughing them completely or laying them off. Employers must reduce the normal weekly work hours by at least 10 percent, but not by more than 40 percent. The employees with reduced hours receive a pro-rated unemployment benefit. Alongside continued payment by the employer for hours worked, the CARES Act will pay 100 percent of the costs of providing short-time compensation to make up for employees' reduced hours through 2020, including for Colorado's Work-Share Program.
 - More information on Colorado's Work-Share program is available [HERE](#).
- **Contractors, gig workers, self-employed, and 1099 income:** As noted above, contractors, gig workers, the self-employed, and 1099 income are generally eligible for Pandemic Unemployment Assistance under the new emergency legislation.

Paid Sick and Family Leave:

For Workers:

- **Two weeks of emergency paid sick leave:** The Families First Coronavirus Response Act (“Families First”) requires public agencies regardless of size and private companies with 500 employees or fewer to offer two weeks (10 work days or 80 hours) of emergency paid sick leave for employees that are:
 - **Quarantined**, pursuant to a federal, state, or local government order or at the advice of a health care provider; and/or **experiencing COVID-19 symptoms** and seeking medical diagnosis. These employees will receive their regular rate of pay, up to a cap of \$511 per day.
 - **Unable to work** because they need to care for an individual subject to quarantine or care for a child under 18 years of age whose school or child care provider is closed or unavailable due to COVID-19. These employees will receive two-thirds of their pay, up to a cap of \$200 per day.
- **10 weeks of required paid family and medical leave for workers caring for a child whose school or daycare has been closed because of COVID-19:** The Families First legislation requires that employers with fewer than 500 employees offer 10 weeks of paid family and medical leave for workers caring for a child whose school or day care had been shut down due to COVID-19.
- **Additional information:**
 - Additional details on paid sick and paid family and medical leave for employees are available [HERE](#).
 - Answers to frequently asked questions (FAQs) are available [HERE](#).

For Employers, Sole Proprietors, Independent Contractors and Gig Workers:

- **Tax credit for paid sick and paid family and medical leave:** The Families First Act created a new federal tax credit of 100% of the costs of providing wages while on sick leave for all employers with fewer than 500 employees to fully offset the cost of these COVID-19-related employment interruptions.
- **Required paid sick leave:** All companies with 500 employees or fewer are now required to offer two weeks of paid sick leave for employees that are unable to work as a result of coronavirus.
 - Employers must cover two weeks (up to 80 hours) of paid sick leave at the employee’s regular rate of pay when the employee is unable to work because

the employee is quarantined and/or experiencing COVID-19 symptoms and seeking medical diagnosis; or

- Employers must cover two weeks (up to 80 hours) of paid sick leave at two-thirds the employee's regular rate of pay because the employee is unable to work because of a need to care for an individual subject to quarantine, care for a child under 18 years of age whose school or child care provider is closed or unavailable due to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of HHS.
- **Exemption:** Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern.
- **Additional information:**
 - Additional details on paid sick and paid family and medical leave for employers are available [HERE](#).
 - Answers to frequently asked questions (FAQs) are available [HERE](#).

Food and Nutrition:

- **Supplemental Food Assistance Program (SNAP):** More information on how to access SNAP (formerly known as “food stamps”) in Colorado is available [HERE](#) and [HERE](#).
- **Child nutrition programs:** More information on how to access child nutrition programs in Colorado is available [HERE](#) and [HERE](#).
- **Funding for home-delivered meals to seniors:** The Families First legislation included \$250 million for the Senior Nutrition program in the Administration for Community Living (ACL) to provide approximately 25 million additional home-delivered and pre-packaged meals to low-income seniors who depend on the Senior Nutrition programs in their communities. For seniors looking for assistance getting nutritious foods, call the Aging Disability Resources for Colorado Office at 1.844.265.2372. More information about other nutrition programs for seniors in Colorado is available [HERE](#) and [HERE](#).
- **School meals:** The CARES Act included \$8.8 billion to give schools more flexibility to provide meals for students. In Colorado, school districts are implementing grab and go meals for all children under the age of 18. Use the interactive map to find free meals for kids [HERE](#). You can also text FOOD or COMIDA to 877-877 to receive the information via text.

- **Food banks:** Recent legislation also included \$450 million more for food banks and other community food distribution programs. Find links to major Colorado food banks here:
 - [Care and Share Food Bank](#)
 - [Food Bank of the Rockies](#) (food locations)
 - [Food Bank for Larimer County](#) (food locations)
 - [Community Food Share](#) (Boulder)
 - [Weld Food Bank](#)
 - More on food and nutrition services in Colorado is available [HERE](#).

Small Businesses and Nonprofits:

- **The Paycheck Protection Program:** The CARES Act included nearly \$350 billion in funding to create a Paycheck Protection Program (PPP). The PPP will provide small businesses and other entities such as non-profits with zero-fee loans of up to \$10 million. Following the passage of the PPP Flexibility Act, the Small Business Administration will now forgive payroll and other costs, such as rent and utilities, over a 24-week covered loan period.
 - **Types of businesses and non-profits that can apply:** The program is open to small businesses, 501(c)(3) nonprofit organizations, 501(c)(19) veterans organizations, or certain tribal business organizations that are under 500 employees. Sole proprietors, independent contractors, and other self-employed individuals are also eligible.
 - **How a lender determines eligibility:** For eligibility purposes, instead of requiring lenders to determine repayment ability, lenders will only need to determine whether a business was operational on February 15, 2020 and if it had employees for whom it paid salaries and payroll taxes. The borrower will also need to certify that the loan is necessary due to the economic challenges due to the pandemic. Eligible employers can use the loan to maintain payroll as well as cover mortgage, lease, or utility costs.
 - **Amounts forgiven:** The amount forgiven will be reduced proportionally by any reduction in employees or reduction in salaries beyond 25 percent of total payroll, as compared to a baseline period prior to the COVID-19 crisis. To encourage employers to rehire employees who have already been laid off due to the COVID--19 crisis, borrowers will not be penalized for having a reduced payroll at the beginning of the period so long as the employer eliminates the reduction in the number of employees and/or salary levels by December 31, 2020.

- **Mandatory Payroll Spending Update:** The original PPP loan guidelines required 75 percent of forgiven costs to be spent on payroll costs. The PPP Flexibility Act reduces required payroll expenditures to 60 percent of the loan amount with up to 40 percent of the loan amount used rent, utility, or mortgage interest payments to obtain full loan forgiveness.
- **Deadline to Apply for Remaining PPP Funds:** The updated August 8, 2020 application deadline for a PPP loan remains in effect.
- More information on the Paycheck Protection Program is available [HERE](#).
- **Economic injury disaster loans and grants:** The CARES Act includes \$10 billion in funding to provide an advance grant of up to \$10,000 to small businesses and nonprofits that apply for an SBA economic injury disaster loan (EIDL). EIDLs can total up to \$2 million and carry interest rates up to 3.75 percent for companies and up to 2.75 percent for nonprofits, as well as principal and interest deferment for up to 4 years. The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
 - **Grants do not need to be repaid:** The initial EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL. The grant may be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.
 - **Eligibility:** Eligible grant recipients must have been in operation on January 31, 2020. The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well as cooperatives and employee-owned businesses with fewer than 500 employees. The SBA began accepting new EIDL applications from qualified small businesses and US agricultural businesses on June 15, 2020.
 - **Converting to a PPP loan:** A business that receives an EIDL between January 31, 2020 and August 8, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a PPP loan. The business may not use a PPP loan to meet the same obligations as an EIDL or other existing SBA loan, but it may refinance an existing EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven in the payroll protection plan.
 - More information on Economic Injury Disaster Loans is available [HERE](#).

- **Immediate debt relief for borrowers:** The CARES Act includes \$17 billion in funding to provide immediate relief to small businesses with standard SBA 7(a), 504, or microloans. Specifically, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bill. The borrower will not have to repay the SBA or their bank for the six months of debt relief.

- **Small business tax relief:**
 - **Deferral of payroll taxes:** The CARES Act defers the employer side of certain payroll taxes through the end of 2020. Deferred taxes will not become due until end of 2021 and end of 2022, with 50 percent of the liability being paid at each date. Any business that does not have a loan forgiven under the new SBA Paycheck Protection Program is eligible for the payroll tax deferral.

 - **Employee retention credit:** The CARES Act provides an employee retention tax credit for businesses that are not eligible or choose not to participate in the new SBA Paycheck Protection Program (PPP). Any business that has been forced to fully or partially suspend operations, or that has seen a significant drop in revenues is eligible for a 50-percent credit for wages paid to furloughed or reduced-hour employees. Wages paid after March 12, 2020, and before January 1, 2021 are eligible for the credit. For businesses with 100 employees or less, the credit is based on all wages paid, regardless of whether an employee is furloughed. There is an overall limit on wages per employee of \$10,000. The credit can be claimed against the business's quarterly payroll tax liability and is fully refundable to the extent of excess. There will also be options to receive advance payments.
 - More information on the employee retention credit is available [HERE](#).

- **More information:**
 - **For more information on Small Business Administration (SBA) programs:**
 - Visit the SBA COVID-19 guidance page [here](#).
 - Sign up [here](#) for e-mail updates for the latest news and information from the Colorado SBA.

 - **Colorado OEDIT Small Business Navigator hotline and email:** For businesses seeking general guidance, information on access to capital programs, workforce development concerns, and other areas small businesses are affected by COVID-19, the Small Business Navigator hotline is available Monday through Friday from 8:00 a.m. to 5:00 p.m. MT.

- Hotline: (303) 860-5881
 - Email: oedit_sbnavigator@state.co.us
- **Through a funding partnership between the SBA and the State of Colorado, your local Small Business Development Center** is tasked with helping small businesses with management and technical assistance services free of charge, especially as part of the current crisis response. They are key to connect with because they're tracking real-time developments as well as additional resources being organized at the state level: <https://www.coloradosbdc.org/>. Furthermore, SBDCs offer consultants who could help you evaluate which options are best for your business going forward.
 - **Alternative Sources of Funding:** [This Google sheet](#) from OEDIT helps Colorado's small businesses find alternative funding sources beyond EIDL, PPP, and other federal loans and programs. Please note that this Google sheet is 'live', so you may see changes as real-time updates are made. If you come across any resources that are no longer active, please email oedit_sbnavigator@state.co.us.
 - [Assistance via non-profit Energize Colorado](#)

General Business:

The CARES Act made a major commitment to support businesses and nonprofits of all sizes, through a Treasury-Federal Reserve fund:

- **General business, nonprofit, and financial stability support:** The \$454 billion of capital in that fund will be levered up to many times that amount, providing trillions of dollars in loans to businesses and nonprofits, while enabling the Federal Reserve to support stability in our financial markets.
- **Support to airlines and airline workers:** The legislation also provides \$25 billion in direct assistance to passenger airlines and billions more to cargo airlines, enabling them to maintain employment and benefits and tide themselves over until we get to the other side of this crisis.
 - **More information** will be forthcoming on these programs from the Department of the Treasury and the Federal Reserve.

Nonprofit Support:

Non-profits will be able to access many of the Small Business Administration, Treasury-Federal Reserve, and tax benefits described above. This includes:

- **Deferral of employer-side payroll taxes (see above);**
- **The Employee Retention Tax Credit (see above);**
- **SBA's Paycheck Protection Program (see above);** and
- **Credit:** The CARES Act authorized a program to allow any mid-sized nonprofit between 500 and 10,000 employees to obtain access to quick, low-cost, government guaranteed credit through their local lender or financial institution. The law prescribes that the loans must carry an interest rate of no greater than 2% and to provide forbearance on principal and interest for at least the first 6 months. Any loan recipient will have to attest that they'll use the money to keep workers employed – at least to 90% of their payroll – and keep workers paid at close to full compensation and benefits.

Other Benefits:

- **Tax Day pushed back from April 15 to July 15:** The Treasury Department and Internal Revenue Service announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020. Taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed.
 - **Eligibility:** This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.
 - **No action needed:** Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief.
 - **More information** is available [HERE](#).
- **Additional flexibility for withdrawals from retirement accounts:** The CARES Act provides a waiver of the penalty for early distributions from IRAs and defined contribution plans (such as 401(k) plans) in the case of COVID-19-related distributions. It also waives minimum distributions that are required to be made in 2020 from defined contribution plans (such as 401(k) plans) and IRAs. If and when additional information is made available by the IRS, it will be posted [HERE](#).
- **Student loan relief:** To alleviate the pressure of student loan costs during this crisis, the federal stimulus includes tax relief encouraging employers to implement student loan

repayment programs. This provision will exclude up to \$5,250 in qualifying student loan repayments paid by the employer on behalf of the employee from income for income tax purposes.

- **Federal student loan borrowers:** Borrowers do not need to make payments on student loans held by the federal government (Direct Loans and FFEL Loans held by the U.S. Department of Education) through September 30, 2020. No interest will accrue on these loans during this period. Borrowers with commercially-held FFEL loans and Perkins Loans are not eligible, and private student loan borrowers are not eligible. The Department of Education's office of Federal Student Aid provides real-time updates and guidance on coronavirus and loan forbearance for students, borrowers, and parents [here](#).
- **Emergency relief for students impacted by COVID-19:** Students are eligible for emergency financial aid grants from their institutions to meet unexpected and urgent needs related to coronavirus, such as expenses related to food, housing, course materials, technology, health care, and child care. Students who are currently participating in the Federal Work Study program can continue to receive work-study payments from their institution if they are unable to work due to workplace closures. Students can find more information from the state and their schools about changes and resources [HERE](#).
- **Low Income Home Energy Assistance Program (LIHEAP):** This bill provides \$900 million for LIHEAP, a federally-funded program to assist families with energy costs in order to ensure families are able to heat and cool their homes. More information on how to apply for LIHEAP in Colorado is available [HERE](#).