

PPP LOAN FORGIVENESS

The SBA released the Loan Forgiveness Application on 5/15.
To calculate payroll for forgiveness, you have 2 options:

COVERED PERIOD

56 DAYS

starts on the date of funding



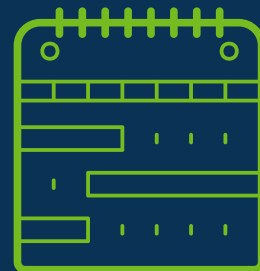
Include payroll costs incurred during this period (actually earned during the 56 days).

**YOU MUST PAY THE COSTS
WITHIN THE 56 DAY PERIOD.**

*There is an exception for the last payroll of the period, if must be paid on or before the next regular payroll date.

ALTERNATIVE COVERED PAYROLL PERIOD

PAYROLL CYCLE



If your payroll period doesn't align exactly with the covered period of the loan, you can use an alternative period to get a full 8 weeks of payroll eligible for forgiveness without making a special payroll within the 56 days.

**SOME OF THE PAY WILL BE
OUTSIDE OF THE 8 WEEK PERIOD.**

EXAMPLE

ABC COMPANY

Funding date is 4/9 so forgiveness period ends 6/3.

BIWEEKLY

Payroll is run biweekly, from Wednesday to Tuesday and is paid the following Friday, with a payroll paid on 4/3.

2 EMPLOYEES

One salary of \$60,000/year (\$28.84/hour).

One hourly at \$15.50/hour and works 5 hours a day Monday, Tuesday and Friday and the 3rd Saturday of every month.

Covered Period

Salaried employee

\$28.84 x 40 hours in a week X 8 weeks.

\$9,230.76

Hourly employee

\$15.50 x 5 every day they work.

(\$77.50/day)

Hourly employee actual time worked

4/10, 3 days in the next 7 full weeks, 6/1, 6/2 of the last week and Saturday 4/18 and 5/16.

Hourly employee total forgiveness (26 days)

The last payroll will need to be paid no later than 6/5 (the normal payroll pay date following the end of the forgiveness period).

\$2,015

Alternative Covered Payroll Period

Include the gross payroll amounts for the pay periods dated 5/1, 5/15, 5/29, & 6/12.