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# PrestigePEO

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April 15, 2020



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# COVID-19

# We Are Here For You

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# Today's Topics



- Employer FICA Tax Deferral - Updates
  - Economic Injury Disaster Loan
  - National EAP
  - TeleHealth
  - Frequently Asked Questions
- ❖ All participants are muted. Please type questions in the side navigation panel and we will try to address most questions.

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# FICA Tax Deferral

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# Employer FICA Tax Deferral - Updates

- Businesses that have applied for and/or received Paycheck Protection Program (PPP) loan proceeds may defer the employer FICA taxes.
- If any portion of the PPP loan is forgiven, the FICA tax deferral stops at that time.
- All deferred taxes are due per the CARES act
  - 50% on December 31, 2021
  - 50% on December 31, 2022
- To elect this deferral, an owner/officer of the company should email their payroll specialist to set that up.

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# Economic Injury Disaster Loan

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# Economic Injury Disaster Loan (EIDL)

- The EIDL has been expanded as part of the CARES Act.
- Similar to the PPP loan, the business must have less than 500 employees.
- Small businesses can request an emergency grant advance from SBA.
- The loan advance (grant) is \$1k per employee up to \$10k.
- The loan advance (grant) is automatically forgiven
- The loan can be used for any working capital expenses.

# Economic Injury Disaster Loan (EIDL)

- The EIDL loan term is up to 30 years.
- The interest rate is 3.75% for businesses and 2.75% for nonprofits.
- Applications for EIDL are completed online at: <https://covid19relief.sba.gov/#/>
- Businesses can apply for both EIDL and PPP loans.
- If a business receives both EIDL and PPP loans, the loan advancement will be deducted from any PPP loan forgiveness.



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# National EAP

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## National EAP – What is it?

- The premier one source for organizational health & performance management services for you and your organization.
- 24/7 support from EAP Specialists providing confidential, effective solutions to develop and maintain a healthy workplace.
- The EAP Team helps you minimize potential liabilities and risks, while maximizing the productivity of your employees.
- Financial stress, grief, and marital discord are just a few of the common issues employees can reach out about to find support and solutions.

# What is the Core EAP Program?

EAP is a well rounded solution for employees and their family members.

- **Financial Consultations** – Certified Credit Counselors provide confidential sessions addressing specific concerns and a written plan of action.
- **Child & Elder Care** – Services include consultations, assessments, customized referrals to service providers, care giving resources, and more.
- **Legal Consultation Services** – Face to face consultations with attorneys and a preferred rate reduction of 25% for retainment of a participating attorney after initial consultation.
- Additional services include identity theft, substance abuse, stress management, and more.



# How will your organization Benefit from EAP?

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- Guidance is available for an organization's concern for an employee's work performance or behavior.
- Expert crisis response 24/7/365 for an individual or organizational crises.
- Businesses can refer high risk employees for intensive EAP assessment, counseling, and monitoring to address workplace performance issues.
- On-site critical incident response is available for unexpected, traumatic events in the workplace.
- Onsite seminars are available for communication skills, stress management, and more – including meditation!

# How is EAP handling COVID-19?

- EAP is hosting daily webinars and virtual support groups.
  - Discussion topics include self-care, resiliency, trauma reactions, leadership, organizational changes, and more.
- EAP is offering virtual group meditation sessions.
- EAP is committed driving self-care and boosting morale through daily education and support via webinar until this crisis has eased.

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# TeleHealth

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# TeleHealth

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- Because your health is the number one priority, one of the most important resources now available is TeleHealth.
- Telehealth is how members can connect with health care providers from the comfort and safety of their home through telecommunication technologies.
- Healthcare providers have expanded access to care, support, and resources to help subscribers and their families navigate through these unprecedented times.

# United HealthCare

## Virtual Visits

- Members can access their existing telehealth benefit offered through one of UnitedHealthcare's designated partners: *Amwell, Doctor on Demand, and Teladoc*, for free.

## Expanded Provider Telehealth Access

- Effective immediately, and continuing until June 30<sup>th</sup>, all eligible in-network medical providers who have the ability and want to connect with their patient through synchronous virtual care (live video-conferencing) can do so. United Healthcare will waive member cost sharing for COVID-19 related visits.

# Oxford

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## New! American Well<sup>®</sup> (AmWell)

- To further assist our Oxford members, employees can schedule an online doctor visit with a virtual designated vendor, AmWell. Members need to sign in to the oxfordhealth.com member website to access their code for an online doctor visit with an Amwell provider, at no charge. Members can find their code by signing into the oxfordhealth.com home page and accessing the COVID-19 section.

## Expanded Provider Telehealth Access

- Effective immediately, and continuing until June 30<sup>th</sup>, all eligible in-network medical providers who have the ability can connect with their patient through synchronous virtual care (live video-conferencing). Member costs will be waived for COVID-19 related visits.



# EmblemHealth

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## 24/7 Nurse Line

- Experienced, licensed nurses can provide confidential, one-on-one health counseling and accurate information to help you make informed health care decisions.
- All members can call the Emblem 24-Hour nurse hotline at 877-444-7988, any time, free of charge.

## ACPNY Virtual Visits with Zoom

- For AdvantageCare Physicians (ACPNY) and BronxDocs patients experiencing symptoms of COVID-19 including a fever over 100.4 and shortness of breath—you can speak to one of the medical providers through Zoom video conferencing. When you call to schedule your appointment, you will be asked a few questions so the team can assess your symptoms, risk, and need for a virtual visit.
  - Contact ACPNY at 646-680-4227.
  - Contact BronxDocs at 646-680-5200.

# EmblemHealth

Continued

## Teladoc

- For members with a plan that includes Teladoc, you have 24/7 access to board-certified, state-licensed doctors by phone or video, every day of the week. Members can send a prescription to their local pharmacy. Services are available in English, Spanish, and Chinese. Call 800-835-2362 to get started.

## Telehealth

- Members can connect with their in-network health care professional, virtually. The virtual visits are \$0 co-pay during the outbreak, whether or not the visit includes testing for COVID-19. Members can contact their doctor directly about their specific offerings.

# Emotional Support Line

- Professionally trained, mental health staff are available to provide support to people who may be suffering from fear or stress as a result of COVID-19.
- The service is free of charge and open to ANYONE.
- A public toll-free emotional support help line is available (866) 342-6892.
- Feel free to contact your PrestigePEO Benefit Specialist for further information.

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# FAQs

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## FAQs

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### **As an employer, should I submit a second application for the PPP if I have not heard back from my lender?**

- No, submitting an application a second time will NOT help you get your loan quicker. We all know that banks are inundated with applications. Submitting a second application or an application to another bank may delay your approval.

### **When will the employer receive the PPP loan money?**

- The loan proceeds should be dispersed with ten days of approval by the SBA.

## **PPA calculation for payroll figures - do we include Medicare and Social Security matching Employer taxes? If the answer is yes, then am I also able to apply for the payroll retention credit.**

- PPP Calculation for average monthly costs do not include the employer FICA/med . If you apply and receive the PPP loan, you will not be eligible to take the Employee Retention Tax Credit

## **We submitted the estimated payroll average for 2019 payroll, but now can we use the recent 12 months- is this true?**

- SBA has said that lenders are able to modify the loan amount based on the recent updates they have issued. Please contact your bank to start that discussion.

## **For new businesses, is the report from Jan 1 - Feb 29, 2020?**

- Yes. That is correct.

## **The time period for Average Monthly Payroll cost can be Jan & Feb 2020 for new businesses, per new SBA update?**

- Yes, many of our businesses are not new, so we did not include this information - but you are correct!

## **How do we determine the start date for the 8-week period regarding using the funds for loan forgiveness? There seems to be some confusion as to whether the date we submit, the date our bank submits, or the date loan application is acknowledged by end funder?**

- The eight week covered period begins when the loan proceeds are dispersed.

## **Do employers get a credit for health insurance contributions for employees out on either EFMLA or EPSL?**

- Yes, there is a tax credit from the health insurance costs attributed to wages paid on FFCRA. We are developing a process to calculate that tax credit.

## **What happens if I replaced an employee from 2019 with a different person with a lower salary in 2020?**

- We expect the SBA will issue additional information on the loan forgiveness process as these loans are rolled out. It may reduce the forgiveness amount since the wages paid for that position is less. We are waiting for additional guidance from SBA.

## **Our office is open, but employees didn't feel comfortable coming to work (they are not sick, and not taking care of sick families). They also don't want to use their 10 days PTO. Should we still pay them?**

- You are under no obligation to pay them, since they have the ability to work but are choosing not to come to work.



**I was with a different payroll provider for all of 2019. Prestige from Jan 2020 until current. Should I use the report from my previous payroll provider as well as 1st quarter of 2020 from Prestige?**

- You'll have a choice of using their report for YTD 2019 or getting their report from 4/1/19-12/31/19 and then we can provide 1/1/20-3/31/20.

**How will the CARES Act and forgiveness of loan impact highly compensated executive/owners?**

- The salaries paid to high paying executives will be capped at a \$100,000 annualized limit when calculating the loan forgiveness.

## **How do I apply for the PPP if I have 2 of my 6 employees able to continue to work?**

- You have two options. You can apply for the loan based on the wages paid to two employees or apply for the loan based on the prior wages paid to 6 employees with the understanding that you won't be able to get full forgiveness. Otherwise, you will want to pay the additional employees their wages with the loan even if they are not working.

## **How will it work when we have furloughed employees and they claim unemployment? How will they get the additional \$600?**

- The additional \$600 of unemployment insurance funded by the CARES Act will be added in automatically by the states. There is nothing that the employees need to do to receive it.

## **Can partners of an LLC that take income on K1 apply for unemployment insurance?**

- Partners of an LLC are self-employed individuals and unemployment insurance has been expanded to include self-employed individuals. We recommend applying and the state will determine based on the facts presented.

## **Not knowing how long it will take to obtain the PPP loan would it be best to furlough the 4 of my 6 employees that are currently unable to work while I continue to pursue the PPP loan?**

- That is a business decision only you can make. If you are unable to fund payroll while you wait for the loan proceeds, placing employees on furlough is an option.

## **How do I get a Payroll Calculation Report of my existing employees? 2019 has a total of 38 on the report, but as of March 31, 2020 we have 33 FTE's**

- You can speak to your payroll specialist to request the report for the twelve months ending on March 31, 2020. If there are employees that have left, you can adjust the amounts to lower the average monthly cost and therefore the loan amount.

## **Can we go back on our payrolls we submitted in the last several weeks to changes the pay codes?**

- You cannot go back. The new pay codes, with the corresponding tax credits, are effective April 1, 2020.

## **Is the payroll tax credit applied through Prestige or through our accountant?**

- Through Prestige – the tax credit will be noted as a credit on your invoice.



## **The 2019 Form 941 is required to submit with the PPP loan. What is being provided to us to submit to the bank for the Form 941?**

- We are providing a PEO certification letter and Client Allocation reports that serve as the information needed in place of the Form 941.

## **How is forgiveness of the payroll portion of the loan calculated? Is the loan only based upon headcount? and/or is there a payroll calculation from last year to this year when employees are hired back for the 8 weeks from the date of loan origination?**

- The loan forgiveness calculation is complicated. The head count for the 8 weeks will be compared to the same 8 weeks in the prior period. We believe as long as a paycheck was issued to all employees at some point during loan period they will count.

## **If employees take EPSL or EFMLA how will that impact the loan forgiveness ?**

- The wages paid under FFCRA will not be included in the wages used for loan forgiveness.

# Questions



## COVID-19 Communications

- Daily support from your HRBPs, Payroll, Benefits, Compliance, & Retirement specialists
- Weekly email updates
- **NEW** website, online resource center and [PrestigePEO.com/COVID-19](https://www.prestigepeo.com/COVID-19) web page
- **NEW** mobile app to link to your dedicated support team instantly





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