

## Covid-19 Stimulus Programs - Weekly Update

March 16, 2021

The American Rescue Plan Act (ARP) is the \$1.9 trillion Covid-19 relief package that became law on March 11, 2021. Below is a summary of the ARP provisions that impact most nonprofits:

### **Payroll Protection Program (PPP)**

The ARP provides an additional \$7 billion in PPP funding; however, it does not extend the program, which is scheduled to expire on March 31, 2021. Last week, both the House and Senate introduced bills delaying the PPP expiration date to May 31, 2021. We and the AICPA support this legislation and we will keep you updated on the status of these bills.

### **Employee Retention Credit (ERC)**

The Employee Retention credit provides employers with payroll cost subsidies of up to \$7,000 per calendar quarter, per employee. This program was scheduled to expire on June 30, 2021; however, the ARP extends the Employee Retention Credit through the end of the calendar year, doubling the potential subsidy from \$14,000 to \$28,000 per employee. There are numerous qualifications and reimbursement limitations so contact your tax advisor or schedule an appointment on the MNA / Co.act Detroit Technical Assistance website for guidance. To schedule a technical assistance appointment, [click here](#).

### **Sick and Family Leave Credits**

In 2020, the Families First Coronavirus Response Act (FFCRA) required employers to offer sick and family leave benefits for Covid-19 related illness and childcare. The ARP extends employer reimbursements for sick and family leave paid from April 1 through Sept. 30, 2021; however, participation in this program is voluntary. Under these voluntary programs, employers are reimbursed for wages paid to employees who miss work: to receive COVID-19 vaccinations; or, due to adverse vaccine reaction(s). In addition, the ARP increases maximum benefits by: (i) ignoring sick time claimed prior to April 1<sup>st</sup>; and (ii) increasing the maximum family leave credit from \$10,000 to \$12,000 per employee. In summary, your organization is not required to continue offering sick and family leave benefits. However, if you decide to participate in these extended programs, talk with your attorney or HR advisor to assure you are complying with the notice and filing requirements.

### **Shuttered Venue Operators Grant (SVO grants)**

Prior to the enactment of the American Rescue Plan Act, PPP borrowers could not apply for an SVO grant. This is no longer true; however, the SVO grant will be reduced by the amount received from PPP loan(s) on or after December 27, 2020.

### **COBRA Reimbursements**

If your organization provides group health plan COBRA coverage, inform involuntarily terminated employees that they do not have to pay for COBRA coverage between April 1 and September 30, 2021. Contact your insurer regarding required employer notices.

THIS UPDATE IS NOT INTENDED TO PROVIDE LEGAL OR TAX ADVICE.

PLEASE CONTACT YOUR LEGAL OR TAX ADVISOR REGARDING HOW THE CONSOLIDATED APPROPRIATIONS ACT AND AMERICAN RECOVERY PLAN ACT IMPACT YOUR ORGANIZATION.