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Coronavirus-Related Financial Assistance Update for Employers

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Understanding and complying with new federal and state employment and leave requirements related to the coronavirus are not the only concerns employers have right now. Many are also focusing on how they are going to survive the financial impact of compliance and closure. Although federal and state laws, regulations, and executive orders initially focused on employee concerns, various stimulus and recovery programs directed towards employers are starting to show up. Here are some resources to consider if you need assistance:

The Coronavirus Aid, Relief, and Economic Security Act

The CARES Act is a roughly \$2 trillion dollar aid package that provides financial assistance for small businesses, business tax reductions and deferrals, and financial aid for certain industries hit especially hard by the coronavirus, such as the airline industry. Notably, the Act also includes assistance to “gig-economy” workers, such as Uber and Lyft drivers who might otherwise be ineligible for unemployment benefits.

Internal Revenue Service Guidance Re: Reimbursement for Emergency Paid Sick Leave (EPSL) and Families First Coronavirus Response Act (FFCRA)

Eligible employees can begin taking paid leave under the federal EPSL and FFCRA starting April 1, 2020. Although much of this wage-replacement cost will be reimbursed by the federal government, there has been uncertainty as to how this would work in practice.

However, the U.S. Treasury Department, the Internal Revenue Service (IRS), and the U.S. Department of Labor have announced that they are making plans to facilitate these reimbursements. When employees take paid leave, employers can offset the cost of that leave by retaining the payroll taxes that it would otherwise have paid. If there are insufficient payroll taxes to cover the cost of leave, employers can file a request for accelerated payment from the IRS. The IRS has indicated that it intends to process these requests in two weeks or less. We anticipate that the IRS will release additional information on this process shortly. More information can be found [here](#).

Other Financial Assistance Resources

Business Oregon has compiled a list of resources for businesses at the local, regional, state, and federal level including such resources as:

- Loans through the U.S. Small Business Administration Disaster Loan Assistance Program.
- The Portland Small Business Relief Fund.
 - The City of Portland has approved \$1 million dollars in aid to provide grants for qualifying small businesses. Prosper Portland will manage the grant application and selection process.
 - The timeline for this process is as follows:

- Monday, March 30: Applications open
- Wednesday, April 1, 11:59 pm: Applications close
- Tuesday, April 7: Recipients selected
- Friday, April 10: Funding provided

For more information, visit the following resource pages:

- [Business Oregon's coronavirus resource page](#)
- [Portland Small Business Relief Fund](#)
- [Washington State coronavirus resource page](#)

To help ease the confusion, Oregon Senator Jeff Merkley has set up a [webpage "hub"](#) to provide compiled information about the new programs as well as information from federal agencies and resources. The webpage is described as a resource that "details information about rescue programs included in the just-passed relief bills, such as \$349 billion in forgivable loans through the Paycheck Protection Program; \$10 billion for Small Business Administration (SBA) economic injury disaster loans; \$17 billion for SBA to cover six months of payments for small businesses with existing SBA loans; an Employee Retention Tax Credit; and reimbursement for businesses with fewer than 500 employees for paid sick leave and child caregiving leave." The webpage also "compiles information from a variety of federal agencies about resources and opportunities available to help Oregon's businesses weather the economic consequences of the coronavirus pandemic."

Oregon Tax Relief Information

The Oregon Department of Revenue is not canceling taxes, but there is some tax-related relief in the form of deadline extension.

More information can be found on the [Oregon Department of Revenue's webpage](#).

For questions regarding coronavirus-related financial assistance for employers, contact Paula Barran or Gabrielle Hansen at 503-228-0500, or at pbarran@barran.com or ghansen@barran.com. For additional content, including other Electronic Alerts, articles, and employer resources, visit www.barran.com.