

PREVIOUS RULE	NEW RULE
A minimum of 75% of PPP loan must be spent on payroll (salary, health insurance, leave, and severance) to get maximum loan forgiveness	A minimum of 60% of PPP loan must be spent on payroll to get maximum loan forgiveness
A maximum of 25% of the PPP loan to be spent on eligible operating costs like rent and utilities to get maximum loan forgiveness	A maximum of 40% of the PPP loan to be spent on eligible operating costs like rent and utilities to get maximum loan forgiveness
Timeline for spending the PPP loan money = 8 weeks	Timeline for spending the PPP loan money = 24 weeks
Deadline to rehire workers <u>in order for</u> their salaries to count toward forgiveness was June 30, 2020	Deadline to rehire workers <u>in order for</u> their salaries to count toward forgiveness is Dec 31, 2020
<p>The original CARES Act allowed borrowers to avoid reductions in forgiveness for a reduced number of employees compared to the “pre-virus” period with four exemptions:</p> <p>(1) the employee rejected a rehire offer</p> <p>(2) the employee was fired for cause during the covered period</p> <p>(3) the employee requested a reduction in hours</p> <p>(4) the employee voluntarily resigned</p>	<p>In addition to the original 4, two more exemptions are permitted:</p> <p>(1) the inability to hire “similarly qualified” individuals to fill a spot</p> <p>Borrowers should maintain documents to show compliance with this exemption include, but are not limited to:</p> <ul style="list-style-type: none"> • the written offer to rehire an individual • a written record of the offer's rejection • a written record of efforts to hire a similarly qualified individual <p>(2) the inability to operate due to restrictions from government agencies</p>
If the PPP loan is not forgiven, a business will have 2 years at 1% interest to repay the loan	If the PPP loan is not forgiven, a business will have 5 years at 1% interest to repay the loan