



Dear Valued Client,

The IRS has released a number of updated [FAQs](#) clarifying the coordination of employer benefits under the FFCRA and CARES Act. Below are some of the most relevant clarifications that may affect your benefit eligibility:

1. Employers who receive an SBA loan under the Paycheck Protection Program (PPP) are still eligible to defer the employer portion of social security tax under the CARES Act. Once an employer receives a decision from its lender that the PPP loan is forgiven, the employer is no longer eligible for the tax deferral from the date of the forgiveness decision. However, the taxes already deferred prior to the forgiveness decision date continue to be deferred and will be due in two equal installments on 12/31/2021 and 12/31/2022.
2. Employers may receive both the tax credits for paid leave under FFCRA as well as the PPP loan under the CARES Act. However, leave paid under FFCRA is not eligible for inclusion in the "payroll costs" calculation for purposes of receiving PPP loan forgiveness.
3. Employers may receive both tax credits for paid leave under FFCRA and the 50% Employee Retention Credit under the CARES Act. However, leave paid under FFCRA is not considered "qualifying wages" for the retention credit.
4. Employers cannot receive both the retention credit and the PPP loan under the CARES Act. Employers that received a PPP loan should not claim the retention credit.

For the latest developments, please visit the [Viventium Coronavirus \(COVID-19\) Update Center](#).

Please note: Other restrictions may apply when coordinating the various COVID-19 benefits. Viventium does not render legal advice or opinions. As always, be sure to consult with your CPA/legal counsel before making any eligibility decisions.

In it with you,

The Viventium Team