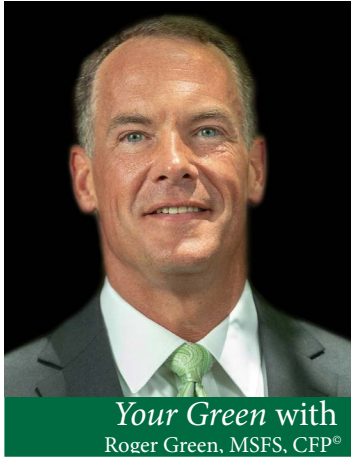


CARES Act - Financial Relief



Your Green with
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Unprecedented in scale and scope, a \$2 trillion stimulus bill was signed by President Trump on March 27, 2020. The bill, the **Coronavirus Aid, Relief, and**

employees, contractors and those who have been furloughed through 2020.

SMALL BUSINESS LOANS: The CARES Act creates a \$349 billion loan program for small businesses, including 501(c)3 non-profits and physician practices. These loans can be forgiven through a process that incentivizes companies to retain employees. Find out more by visiting SBA here: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>. The U.S. Chamber of Commerce also provides qualification guidelines here: https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf. **Some of the criteria for these loans is as follows:**

- Generally, businesses and certain non-profits with less than 500 employees are eligible for loans.
- Loans are generally available up to the lesser of 2.5 times an entity's average monthly payroll cost, or \$10 million. Interest will not exceed 4%.
- Loan proceeds may be used for payroll and other compensation costs, mortgage interest payments, rent or lease payments, utilities, and certain other specified items.
- Complete payment deferral is available for between 6 and 12 months for borrowers who have been impacted by the COVID-19 pandemic.
- Loans are eligible for forgiveness (and exclusion from gross income) for payments the recipient makes during the first 8 weeks of the loan for payroll costs, mortgage interest, rent, and utility payments. To encourage employers to rehire employees who have already been laid off due to the COVID-19 crisis, workers who are re-hired will not be counted against the employer in the loan forgiveness reduction calculation.

HARDSHIP USE OF RETIREMENT FUNDS EXPANDED: The CARES Act provides that an Individual Retirement Account (IRA) allow up to \$100,000 per individual to be taken if you qualify for a Coronavirus-Related Hardship Distribution. This is also available from an eligible retirement plan, such as a 401(k) plan, if the plan opts to allow it. While the distribution will still be subject to taxes as with any retirement account distribution, it will not be subject to the 10% penalties that usually apply to those under 59 ½. Additionally, the tax liability can be spread out over the next three years, and you will be able to "re-contribute" the money back into the account over the next three years to avoid some or all of the taxes, if you choose to do so. The CARES Act also allows your eligible retirement plan to opt to increase the amount that can be loaned up to \$100,000 and up to 100% of the vested amount. Check with your employer or plan administrator to see if these options are a possibility for your plan. **We do, however, want to strongly caution that using or pulling from any**

of your retirement plan funds should be considered carefully and discussed in detail with a financial advisor before any action is taken.

RMDS WAIVED: The CARES Act also creates an exception to the Required Minimum Distribution (RMD) rules for the 2020 tax year. You are required by law to take withdrawals from your IRA, SIMPLE IRA, SEP IRA, or retirement plan such as a 401(k) once you reach 72. (It was 70½ before 2020.) But the CARES Act waives RMD withdrawals for 2020, including for inherited IRAs. Additionally, the waiver covers the first-time RMD, which individuals may have delayed from 2019 until April 15.

CHARITABLE GIVING: The Act provides both financial relief for non-profits and increased charitable giving incentives for individuals and corporations. **The first charitable giving tax incentive is for taxpayers who do not itemize their deductions and allows an above-the-line deduction for cash charitable contributions of up to \$300. The second tax incentive is for itemizers, it temporarily increases income limits for cash contributions by individual and corporate donors.** Individuals can deduct up to 100% of their AGI in cash contributions (up from 60%) and corporations up to 25% of taxable income (up from 10%). Both incentives are available only for cash contributions made in 2020 and not for contributions to supporting organizations or donor-advised funds. There are some complex rules that must be followed in some situations. Donors should consult with their tax and financial advisors when considering charitable giving.

WATCH OUT FOR FRAUD: The FBI's Internet Crime Complaint Center (IC3) has issued a PSA warning citizens to watch out for email-based fraud and malware schemes that take advantage of the pandemic. Among the scams to look out for are emails purporting to contain helpful information from the Centers for Disease Control and Prevention (CDC) and other medical sources, and phishing emails that ask individuals to provide their personal information in order to supposedly receive an economic stimulus check. <http://bit.ly/FBICOVIDPSA>.

Important note: this information is intended to be only a summary of highlights of information you may find helpful. Please refer to the actual entity websites for full and complete information regarding any of this information, as there are various requirements and restrictions on all of the above information. Roger S. Green is an independent Investment Advisor Representative offering securities and advisory services through Cetera Advisors LLC, a Registered Investment Advisor and Broker/Dealer, member FINRA, SIPC. His office is located at 3700 Crestwood Parkway, Duluth, GA 30096.

Economic Security Act ("CARES Act"), provides stimulus for individual Americans, healthcare workers, small businesses, and certain industries hit hard by the pandemic. This is the third relief package to address the effects of the COVID-19 virus.

STIMULUS CHECKS: Stimulus checks will be issued to qualifying Americans in the form of a \$1,200 "Recovery Rebate" or advance refund of credits against 2020 taxes to individuals, payable in the form of a check that will be sent out "as rapidly as possible". You qualify if you are making \$75,000 or less in AGI (Adjusted Gross Income) - or \$150,000 in the case of joint returns, as well as \$500 for each child. **Married couples fitting the criteria with two children can expect \$3,400.** The amount paid will decrease as AGI increases above the \$75,000 threshold and will be \$0 at \$99,000.00 single/\$198,000 married AGI. **For more, visit <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>.**

Taxpayers do not generally need to do anything to claim the rebate. **Cash payments are based on either your 2018 or 2019 tax filings.** In effect, this is an advance payment of a tax credit on your 2020 income tax return which will be filed in early 2021. If, however, your actual income in 2020 is above the thresholds, any amount you receive based on incorrect estimate will be due back to the IRS. **The Treasury has confirmed here <https://home.treasury.gov/news/press-releases/sm967> that Social Security beneficiaries who are not typically required to file tax returns will not need to file an abbreviated return to receive their payment.**

EXPANDED UNEMPLOYMENT BENEFITS: The Act also expands eligibility for unemployment insurance through the end of 2020, and provides an additional \$600 per week and 13 extra weeks of potential payments, on top of the unemployment amount/duration allowed by each state. To help those who lose work as a direct result of the public health emergency, the Act also expands those covered under unemployment benefits to include self-employed people, freelancers, part-time