

ADVOCATE by DESIGN



Breaking Down the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Since the outbreak of COVID-19, the American Society of Interior Designers (ASID) and the ASID Government & Public Affairs (GPA) Department have been working with elected leaders and Washington D.C. policy stakeholders to secure relief for the design and construction industry, and, specifically, the thousands of small business and sole practitioner interior designer firms and firm employees represented by the Society.

On March 27, the third coronavirus relief package was signed into law by President Donald J. Trump. Thankfully, many of the items requested by ASID in our [March 23rd letter to Congressional leadership](#) were included in this package.

For the benefit of our members, ASID GPA has summarized the coronavirus economic stimulus package, the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, below, with sources for additional information:

DIRECT PAYMENTS TO INDIVIDUALS

Lawmakers set aside \$250 billion for “recovery rebates.”

Single Americans will receive \$1,200, married couples would get \$2,400 and parents would see \$500 for each child under age 17.

However, the payments start to phase out for individuals with adjusted gross incomes of more than \$75,000, and those making more than \$99,000 would not qualify at all. The thresholds are doubled for couples. ([Source](#))

UNEMPLOYMENT BENEFITS

The federal government will give jobless workers an extra \$600 a week on top of their state benefits.

The bill extends regular unemployment benefits to last an additional 13 weeks. ([Source](#))

CONTRACTORS & FREELANCERS

Self-employed people will be newly eligible for unemployment benefits.

Benefit amounts would be calculated based on previous income, using a formula from the [Disaster Unemployment Assistance Program](#).

Self-employed workers would also be eligible for the additional \$600 weekly benefit provided by the federal government. Part-time workers would be eligible for benefits, but the benefit amount and how long benefits would last depend on your state. They would also be eligible for the additional \$600 weekly benefit. ([Source](#))



STUDENT LOAN PAYMENTS

The Department of Education will automatically suspend payments on student loan borrowers without penalty through September 30. This suspension will not need to be requested. The bill also suspends the collection on defaulted debts including wage and tax refund garnishment. Student loans, however, will NOT be “forgiven.”

Borrowers will still be allowed to make payments during the six months. [\(Source\)](#)

Students receiving Pell grants who have to drop out because of coronavirus would not be penalized. [\(Source\)](#)

The bill provides no relief for borrowers who have Federal Family Education Loan -program federal loans and Perkins federal loans that are not held by the U.S. Department of Education, nor does it provide any relief whatsoever for private student loan borrowers. [\(Source\)](#)

PAYROLL-TAX RELIEF

The bill gives businesses tax credits and allow them to defer their payroll taxes so they can continue to pay employees. Employers could delay paying payroll taxes for 2020, then pay 50% in 2021 and the other 50% in 2022. [\(Source\)](#)

EMPLOYEE RETENTION CREDIT

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis. The credit would be available to employers whose (1) operations were fully or partially suspended, due to a COVID-19 related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.

For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order. The credit would be provided for the first \$10,000 of compensation, including health benefits, paid to an eligible employee. The credit would be provided for wages paid or incurred from March 13, 2020 through December 31, 2020. [\(Source\)](#)

SMALL-BUSINESS LOANS

The bill would give small businesses access to a nearly \$350 billion loan program to cover monthly expenses like payroll, rent and utilities in what is being called the “Paycheck Protection Program” . The loans would not have to be repaid if businesses maintained their workforce. [\(Source\)](#)

The bill would increase the government guarantee of loans made for the Payment Protection Program under section 7(a) of the Small Business Act to 100% through Dec. 31, 2020. It would increase the maximum 7(a) loan amount to \$10 million through December 31, 2020, and provide a formula by which the loan amount is tied to payroll costs incurred by the business to determine the size of the loan. The bill specifies allowable uses of the loan include payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent, and utility payments. Any loan amounts not forgiven at the end of one year would be carried forward as an ongoing loan with a maximum term of 10 years, and maximum interest rate of four percent (4%). The 100 percent loan guarantee would remain intact. [\(Source\)](#)

Note: What is a 7(a) loan? The 7(a) loan program is the SBA's primary program for providing financial assistance to small businesses. [\(Source\)](#)

EXISTING SBA LOANS

For businesses with existing SBA loans, principal and interest will be waived for six months. [\(Source\)](#)