



We know and appreciate that businesses and nonprofits want to not only preserve their bottom line, but to stand by the employees they have depended on in the past and will need again as Connecticut recovers from this emergency. There are a variety of federal and state programs that may allow you to continue making payroll and providing health benefits with substantial outside funding. We encourage you to consider these programs as alternatives to immediate layoffs, and as a source of subsidies that will allow you to rehire your staff.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed by the President on Friday includes several important benefits for small businesses and nonprofits in Connecticut:

Paycheck Protection Program (PPP) Loans: Provide cash-flow assistance through federally-guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans will be forgiven.

Economic Injury Disaster Loans & Emergency Injury Grants: An emergency advance of up to \$10,000 to small businesses and private nonprofits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). Grants and loans may be used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

Small Business Debt Relief Program: Provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under this program, the SBA will cover all loan payments on previously secured SBA loans, including principal, interest, and fees, for six months.

Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship: A refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during the COVID-19 crisis.

Delay of Payment of Employer Payroll Taxes: Allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022.

Counseling and Training: Local resource partners can be found [here](#).

For more details on the CARES Act visit Connecticut's COVID-19 [Business Resource Portal](#).

In addition to the above initiatives, employers should also be aware of the following programs:

Federal Emergency Paid Leave Program: Through the end of 2020, employers with fewer than 500 employees must provide 80 hours of paid sick leave and 10 weeks of paid family leave. Note that employers will be reimbursed by the IRS for 100% of the paid leave in 2 weeks or less. They will also be reimbursed for employees' health care premiums during leave. The current IRS guidance can be found [here](#).

CT DOL's Shared Work Program: Allows employers to reduce employees' hours by up to 60% and DOL will step in to provide unemployment insurance (UI) benefits that help offset the lost wages, as well as the new federal UI supplement. More information about the program can be found [here](#).

Many of these programs are also open to self-employed individuals. I encourage Connecticut businesses to act quickly to take advantage of the many resources being provided by the [state](#) and federal government during this crisis. Businesses should review these resources and reach out to lenders, landlords, and others as you consider making difficult decisions at this time.

Sincerely,
David Lehman, Commissioner
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