



Congress Approves Extension of Paycheck Protection Program

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The Paycheck Protection Program (PPP) application period was set to close on March 31, but Congress recently approved a 60-day extension to May 31. The measure will now be sent to President Joe Biden's desk for signature.

The PPP is designed to help struggling businesses with fewer than 500 employees keep workers employed during the COVID-19 crisis by providing loans that are forgivable if certain criteria are met. The program "is providing small businesses with the resources they need to maintain their payroll, hire back employees who may have been laid off, and cover applicable overhead," according to the U.S. Treasury Department.

We've rounded up articles and resources from *SHRM Online* and other trusted media outlets on the Paycheck Protection Program.

More Time

On March 16, the U.S. House of Representatives passed the PPP Extension Act of 2021 in a 415-3 vote, and the U.S. Senate approved the measure in a 92-7 vote on March 25. In addition to extending the application deadline, the bill will provide the Small Business Administration (SBA) with an additional 30 days to process pending applications.

(KTVZ (<https://ktvz.com/politics/2021/03/25/senate-votes-to-extend-paycheck-protection-program-to-deliver-pandemic-relief-to-businesses/>))

Updated Application Forms

The PPP provides small businesses with forgivable loans to cover payroll costs and employee benefits. Employers also can use the funds to pay interest on mortgages, rent and utilities. The SBA recently updated application forms for borrowers and lenders.

(U.S. Department of Treasury (<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>))

Covered Businesses

Small businesses, eligible nonprofit organizations and certain other employers can apply for a first loan if they employ fewer than 500 employees. Businesses that employ more than 500 workers also may be eligible if they meet the SBA's size standards (<https://www.sba.gov/document/support-table-size-standards>) for their industry. Businesses that received loans through the program last year may be able to receive a second loan if they:

- Have no more than 300 employees.

- Already received a first draw PPP loan and used the full amount only for authorized uses.
- Can show at least a 25 percent reduction in gross receipts between comparable quarters in 2019 and 2020.

Employers should carefully review information on the SBA (<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>) and Treasury Department (<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>) websites. "The most common mistake employers make concerning PPP loans is failing to keep up with the changes in rules or guidance," noted Patrick Dennison, an attorney with Fisher Phillips in Pittsburgh.

(SHRM Online (www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/employers-may-be-eligible-for-a-second-ppp-loan.aspx))

More Aid to Employers

The PPP was established in March 2020 through the Coronavirus Aid, Relief and Economic Security Act and was expanded through a stimulus bill that passed in December 2020. The program was further expanded on March 11 through the American Rescue Plan Act of 2021 (<https://advocacy.shrm.org/wp-content/uploads/2021/03/American-Rescue-Plan-Act-FINAL-6.pdf>) (ARPA). The ARPA allocated a total of \$50 billion to small businesses (<https://www.sbc.senate.gov/public/index.cfm/2021/3/cardin-statement-on-small-business-provisions-in-american-rescue-plan>), including an additional \$7.25 billion in PPP funds and \$28.6 billion for a new grant program for certain bars, restaurants and other venues that had to close during the pandemic. Under the Restaurant Revitalization Grant Program, eligible businesses may receive up to \$5 million per location and \$10 million total to spend on payroll, rent, utilities, maintenance, supplies and other expenses in the 2021 fiscal year. The act also adds \$15 billion to the Economic Injury Disaster Loan Advance Grants Program, \$1.25 billion for the Shuttered Venue Operators Grant Program, and \$175 million for a Community Navigator Pilot Program for small businesses in underserved communities.

(SHRM Online (www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/how-the-new-covid-19-relief-package-impacts-employers.aspx))

SBA Issues Updated Guidance

The SBA published an interim final rule (<https://www.federalregister.gov/documents/2021/03/22/2021-05930/business-loan-program-temporary-changes-paycheck-protection-program-as-amended-by-american-rescue>) in *The Federal Register* on March 22 incorporating the ARPA's changes to the PPP, which apply to loans that are approved and loan forgiveness applications that are submitted on or after March 11. The SBA's interim rule doesn't clarify a provision in the PPP borrower application form that requires businesses to certify compliance with Occupational Safety and Health Administration (OSHA) standards and regulations for the duration of the loan. Businesses must certify that, to the best of their knowledge, they are "in compliance with the applicable OSHA requirements and will remain in compliance during the life of the [PPP] loan." The language implies that failure to follow OSHA rules could impact loan forgiveness eligibility, so borrowers should be particularly diligent in their compliance efforts.

(Holland & Knight (<https://www.hklaw.com/en/insights/publications/2021/03/paycheck-protection-program-loan-forgiveness-mandatory-osha-compliance>))

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