

## **Federal Legislative Update: CARES Act (March 25, 2020)**

After a series of tense negotiations that spanned the weekend and early this week, the Senate appears to be close to advancing the third COVID-19 relief package, called the CARES Act. At the time of writing, the Senate is working through final steps and remaining concerns. The political situation is fluid, however, the bill is still expected to clear the Senate and then the House. President Trump has already indicated he will sign the legislation.

While the bill is not yet final, we can expect it to provide direct support to individuals and families, expand the unemployment safety net and include support for those who are self-employed, and provide loans for small businesses to maintain their workforce and operations with an opportunity for substantial loan forgiveness, as previously reported.

As of right now, there are several other provisions of interest to veterinarians and veterinary small business owners, such as:

- A new pandemic unemployment insurance program to cover individuals who may be unemployed, partially unemployed, or unable to work because of COVID-19 and otherwise ineligible for unemployment benefits. This includes self-employed individuals and independent contractors.
- A six month suspension of federal student loan payments and interest accrual. During this time, borrowers would receive credit for making payments in order to remain on track for loan forgiveness programs such as the Public Service Loan Forgiveness (PSLF) Program. The bill also allows for employers to provide a tax-free student loan repayment benefit during 2020.
- A new paycheck protection program through the Small Business Administration (SBA) to provide loans for payroll and operating costs for small businesses, sole proprietors, self-employed and independent contractors. The program includes loan forgiveness for qualified expenses.
- Tax credits and tax deferrals to support small businesses, including a new retention tax credit to encourage businesses to keep workers on payroll during the crisis.
- Penalty-free withdrawal from a retirement account for COVID-19 related expenses.