

U.S. REPRESENTATIVE
MIKE LEVIN
Proudly Serving California's 49th District



COVID-19

Federal Resource Guide



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Dear Neighbor,

As we confront the COVID-19 pandemic together, I know many families and small business owners have a lot of questions about their future and how to apply for economic relief.

In Congress, I am prioritizing the needs of taxpayers and working families who need health care and economic support. I have worked with my colleagues to pass the bipartisan *Families First Coronavirus Response Act* and *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, which provides trillions of dollars in relief. I am now working to ensure that the Administration quickly and responsibly implements the important programs included in these bills, such as direct payments to families, funding for small businesses, expanded unemployment insurance, and federally funded sick leave.

My staff and I prepared the following resource guide for residents of California's 49th Congressional District in order to provide basic information about important COVID-19 response programs and to answer frequently asked questions.

My office is also working to provide up-to-date information and resources, and to help constituents in need. You can reach us by visiting my website <https://mikelevin.house.gov> or by calling (760) 599-5000, and we will work to assist you.

Finally, I want to encourage everyone to remain calm and follow all stay-at-home orders. We will get through this crisis, together.

Thank you,



Rep. Mike Levin



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Direct Payments to Individuals and Families

The *CARES Act* established a program that will provide direct payments to individuals and families through the Internal Revenue Service (IRS). The payments are intended to help Americans during a time of need in our country, when many of our friends and neighbors are dealing with reduced incomes.

Eligibility:

For single tax filers:

- If you make up to \$75,000 annually, you are eligible for a rebate of \$1,200.
- If you make between \$75,000 and \$99,000, the rebate is reduced by \$5 for every \$100 of income above \$75,000.
- You are eligible for an additional \$500 per qualifying child under the age of 17.

For joint tax filers:

- If you make up to \$150,000 annually, you are eligible for a rebate of \$2,400.
- If you make between \$150,000 and \$198,000, the rebate is reduced by \$5 for every \$100 of income above \$150,000.
- You are eligible for an additional \$500 per qualifying child under the age of 17.

Frequently Asked Questions:

Question: How will I receive my direct payment?

Answer: The IRS will directly deposit the direct payment into your bank account if you have previously received a tax return via direct deposit. Otherwise, you will be sent a check. The IRS has set up [an online portal](#) through which eligible individuals and families who have already filed tax returns can provide direct deposit information to the agency. You are also able to check the status of your direct payment via the online portal.

Question: What if I don't file a tax return?

Answer: You are still eligible for a direct payment as long as you meet income requirements. Social Security beneficiaries will automatically receive their direct payment, even if they did not file a tax return. However, the IRS has said that low-income seniors and disabled individuals who receive Supplemental Security Income (SSI), and veterans who receive VA compensation and pensions will have to file a simplified tax return through [this online portal](#).

Question: Will the direct payment affect my eligibility for federal income-targeted programs?

Answer: No.

Question: What information is required in order to receive a direct payment?

Answer: You must have a Social Security Number for the direct payment recipients and qualifying children.

Question: Are direct payments subject to federal income tax?

Answer: No.

Question: When will I receive my direct payment?

Answer: As of April 2, 2020, the IRS had provided the following timeline to Congress:

- Beginning in mid-April, the IRS will make about 60 million payments to who have used direct deposit for their 2018 or 2019 tax returns.
- Within 10 days after the first round of payments, the IRS will make payments to Social Security beneficiaries who did not file tax returns in 2018 or 2019 and receive their Social Security benefits via direct deposit.
- About 3 weeks after the first round of payments are made, the IRS will begin distributing checks. The IRS is able to issue 5 million checks per week. It could require up to 20 weeks to send out all checks. Checks will first be mailed to individuals with lower income.

Local Small Business Administration (SBA) Resources

In response to our calls to support small businesses, the *CARES Act* included \$349 billion in loan forgiveness grants to small businesses and nonprofits to maintain existing workforce and help pay for other expenses including rent, mortgages, and utilities. The bill also allocates \$10 billion for Small Business Administration (SBA) emergency grants of up to \$10,000 to provide immediate relief for small business operating costs and \$17 billion to cover six months of payments for small businesses with existing SBA loans. Ultimately, we will need to take much more action to support small businesses, and I will continue working to address both the health and economic needs of working families.

Since 1953, the Small Business Administration (SBA) has provided loans, counseling, and contracting opportunities to small businesses and entrepreneurs across the country. The SBA has local offices across the country to support small businesses as they navigate the loan application process. If you have specific questions regarding your application, you can reach out to:

San Diego District Office

550 West C Street, Suite 550

San Diego, CA 92101

Phone: (619) 557-7250

Website: <http://www.sba.gov/ca/sandiego>

Office Email: sandiego@sba.gov

[San Diego Small Business Resource Guide](#)

Orange County Inland Empire Office Directory

5 Hutton Centre Drive, Suite 900,

Santa Ana, CA 92707

Phone: 714.550.7420

Website: <http://www.sba.gov/ca/santa>

Office Email: OCIEDO-DSUP@sba.gov

[Orange County Inland Empire Small Business Resource Guide](#)

The SBA administers Small Business Development Centers (SBDC) across the country to provide management assistance to small business owners. SBDCs are a joint effort between the private sector, educational institutions, and the federal, state, and local government. Some SBDCs are designed to meet the needs of specific groups, including women and veterans. See below for SBDC resources that serve the 49th District.

- [San Diego SBDC](#)
- [Orange County SBDC](#)
- [San Diego & Imperial Women's Business Center](#)
- [Inland Empire Women's Business Center](#)
- [Southern California Veterans Business Outreach Center](#)

Paycheck Protection Program

The *CARES Act* authorized \$349 billion for the Paycheck Protection Program (PPP) to incentive small business to keep their employees on payroll. If businesses keep their employees on payroll for eight weeks or rehire employees by June 30, SBA will forgive the loan.

Key provisions of the program include:

- Loans are available up to \$10 million.
- Loans are provided by approved SBA lenders, not the SBA directly. Reach out to your local lender to see if they are offering PPP loans. See the [SBA website](#) to find other lenders near you.
- Loans can be used for payroll, rent, mortgage interest, or utilities.
- Loans have an interest rate of one percent and maturity of two years.
- Loans will be fully forgiven if funds are used for payroll, mortgage interest, rent, and utilities.
- Loan payments will be deferred for six months and no more than a year.
- All borrower and lender fees are waived.
- Download a sample PPP application [here](#).

Frequently Asked Questions:

Question: Am I eligible for PPP?

Answer: You are eligible for PPP if you are:

- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern with fewer than 500 employees.
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location.
- Sole proprietors, independent contractors, and self-employed persons.

Question: How do I ensure that my PPP loan is forgiven?

Answers: Details on loan forgiveness include:

- Loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities.
- Due to high subscription, at least 75 percent of the forgiven amount must be used for payroll.
- The amount forgiven will be reduced proportionally by any reduction in employees or employee salaries.
- If borrowers eliminate all reductions in number of employees and/or salary levels by June 30, 2020, they will not be penalized.

Question: How does the program work for franchises and hotels?

Answer: The program temporarily waives SBA's existing "affiliation rules" for the restaurant and lodging sector. This allows restaurants and accommodations with fewer than 500 employees at one location but over 500 employees at its parent company or other locations to qualify for a PPP loan.

Question: Can you provide additional detail about the program?

Answer: Yes, you can find links to additional resources below:

- [SBA Paycheck Protection Program Summary](#)
- [Sample Paycheck Protection Program Application](#)
- [Small Business Committee Fact Sheet and FAQ](#)
- [Small Business Owner's Guide to the CARES Act](#)
- [Small Business Committee Flow Chart](#)
- [U.S. Chamber of Commerce PPP Checklist](#)

Economic Injury Disaster Loans and Grants

The SBA has signed emergency declarations with all 50 states and six territories in response to the COVID-19 pandemic. Small businesses owners can now apply for an Economic Injury

Disaster Loan (EIDL), which will provide small businesses with working capital loans of up to \$2 million to address economic hardships from the outbreak and consequent shutdowns.

Key program details include:

- Loans will be provided up to \$2 million.
- Interest rates of 3.75 percent are available for small businesses and rates 2.75 percent are available for nonprofits.
- Loans can be used to pay fixed debts, payroll, accounts payable, and other financial obligations they could have met before the outbreak.
- The application deadline is June 30, 2020.
- EIDL recipients can defer loan payments for 12 months.
- You can apply [here](#) on the SBA's website.
- If your business is initially rejected for an EIDL, you will have six months to reapply. We suggest you reach out to the SBCDs mentioned above to prepare your application.

The *CARES Act* allocated an additional \$10 billion to establish the EIDL Grant program, which will provide an advance of up to \$10,000 within days of applying for an EIDL. When you submit your EIDL application, you must request the grant under “Additional Information” at the end the application. This advance does not need to be repaid and can be used to provide immediate economic relief.

Frequently Asked Questions:

Question: Am I eligible for a grant?

Answer: Independent contractors, the self-employed, private nonprofits, and small and medium sized businesses up to 500 employees are eligible. You can receive the grant even if you are later denied the EIDL itself.

Question: If I receive a grant am I eligible for other SBA programs?

Answer: Yes, you can still receive a disaster loan, regular SBA loans, or and assistance under PPP. If you received an EIDL from January 31, 2020 through April 3, 2020, you can apply for a PPP loan. If you did not use your EIDL for payroll costs, it does not affect your eligibility for a PPP loan. If you used your EIDL for payroll costs, you will have to use your PPP loan to refinance your EIDL. If you received the up to \$10,000 EIDL advance, that amount will be deducted from the loan forgiveness amount you receive from your PPP loan.

Question: Can you provide additional detail about the program?

Answer: Yes, you can find links to additional resources below:

- [COVID-19 Economic Injury Disaster Loan and Loan Advance Application](#)
- [SBA Economic Injury Disaster Loan Advance](#)

Expanded Unemployment Compensation

The *CARES Act* expands unemployment compensation (UC) benefits for workers during the COVID-19 pandemic. This social safety net is incredibly important as employers face mandatory closures and workers navigate reduced hours, furloughs, and layoffs.

The bill allows all states to provide an additional 13 weeks of UC benefits to workers.

Additional provisions of the expanded UC program include:

- Through July 31, 2020, the federal government will provide an additional \$600 per week to workers eligible for state or federal UC benefits. This \$600 comes on top of regular UC benefits.
- The federal government is fully funding “work sharing” programs under which workers with reduced hours are eligible for partial state UC benefits.
- States are able to expand eligibility for UC benefits to self-employed individuals, independent contractors, “gig economy” employees, and individuals who were unable to start a new job or contract due to the pandemic.

Frequently Asked Questions:

Question: How long do temporary emergency benefit increases last?

Answer: The \$600 per week supplemental UC ends on July 31, 2020, and other provisions end on December 31, 2020.

Question: Does my tipped income count for UC?

Answer: Yes, however this is dependent on your tips being accurately reported. If they were underreported by your employer, in violation of federal law, it could lower your UC benefits.

Question: Do UC benefits affect my eligibility for Medicaid or the Children’s Health Insurance Program (CHIP)?

Answer: No.

Question: Can employees whose employers have applied for the Payment Protection Program (PPP) apply for unemployment?

Answer: Yes. If you had zero earnings in the week prior, as no fault of your own, you can apply for unemployment insurance while your employer requests assistance from the PPP.

Question: Where can I apply for unemployment insurance?

Answer: You can apply with the California Employment Development Department (EDD) [here](#).

Paid Sick Leave and Paid Family Leave

The Families First Coronavirus Response Act creates emergency paid sick and family leave for working families impacted by COVID-19. Employers with 500 employees or less are required to provide paid sick and family leave, and the federal government covers 100% of the cost of wages by providing a refundable payroll tax credit.

Paid sick leave requirements include:

- Employers must offer two weeks (10 days) of paid sick leave for COVID-19 related reasons. If an employee is sick or seeking diagnosis, the benefit replaces all of the employee's wages up to a maximum benefit of \$511 per day. If an employee is caring for another individual who is sick, the benefit replaces at least two-thirds of the employee's wages up to a maximum benefit of \$200 per day.
- The paid sick leave credit offsets 100% of employer costs for providing mandated paid sick leave.
- If the credit exceeds total liability for the employer, the outstanding cost in wages will be provided through a refund.
- Self-employed individuals are also eligible for this program and tax credit.

Paid family leave requirements include:

- Employers must offer 12 weeks of paid family leave for an employee with a minor child in the event of the closure of the child's school or place of care.
- The first ten days are unpaid, but the employee can overlap this with the ten days of paid sick leave explained above.
- After the first ten days, this benefit replaces at least two-thirds of the employee's wages up to a maximum of \$200 per day.
- The paid family leave credit offsets 100% of employer costs for providing mandated paid family leave.
- Just like the sick leave provisions, self-employed individuals are covered.

Frequently Asked Questions:

Question: If I already get paid sick leave, how am I effected?

Answer: Existing leave offered can count towards the 10 days under this law. You are not required to receive additional paid sick days.

Question: How does the refundable payroll tax credits work?

Answer: Under this program, covered employers pay their workers as described above. They are then given a tax credit that offsets any payroll liability that the employer has during the applicable quarter. If credit exceeds the payroll tax liability, the employer will receive a refund up to the credit maximum.

Question: I'm an hourly worker, am I covered?

Answer: Yes, full-time hourly workers are entitled to 80 hours (or 10 days) of paid sick leave.

Question: I'm a gig economy or self-employed worker, am I covered?

Answer: Yes, however it instead is paid through a refundable income tax credit.

Question: Can you provide additional detail about the program?

Answer: Yes, you can find links to additional resources below:

- [Committee on Education and Labor Fact Sheet: Who is Eligible for Leave link](#)
- [U.S. Department of Labor Fact Sheet for Employees](#)
- [U.S. Department of Labor Fact Sheet for Employers](#)
- [U.S. Department of Labor Questions and Answers](#)
- U.S. Department of Labor poster for [federal workers](#) and one for [all other employees](#)
- U.S. Department of Labor [questions & answers](#) document about employer posting requirements, as well as a [Field Assistance Bulletin](#) describing the 30-day non-enforcement policy
- [Treasury, IRS & Department of Labor Announcement](#)

Eviction Protection and Mortgage Forbearance

If you are a renter and you are unable to pay your rent, you may benefit from eviction protections. A 120-day moratorium on evictions due to nonpayment has been put in place beginning March 27, 2020 for renters living in housing that receives a federal subsidy, or in a unit whose owner has a federally backed mortgage. A landlord also may not charge extra fees or penalties due to nonpayment during this moratorium, or require a tenant to vacate a property until 30 days after this moratorium. This applies to public housing, properties receiving Section 8 assistance or Low Income Housing Tax Credits, and properties that have a mortgage issued or guaranteed by a federal agency or Fannie Mae or Freddie Mac. Renters should contact the federal agency that administers their housing program or their local Legal Aid office if their landlord is violating the moratorium. You can find a Legal Aid office by visiting <https://www.lawhelpca.org/legal-directory>.

If you have a Federal Housing Administration (FHA), U.S. Department of Agriculture (USDA), U.S. Department of Veterans Affairs (VA), or Section 184 or 184A mortgage and you are experiencing financial hardship due to COVID-19, you have the right to request forbearance on your mortgage payments for up to six months without extra fees, penalties, or interest. The same is true if you have a mortgaged backed by Fannie Mae or Freddie Mac. You may also request that this period be extended for another six months. In order to take advantage of forbearance, contact your mortgage servicing company directly. Servicers of federal mortgages are also prohibited from initiating or executing foreclosures for 60 days beginning on March 18, 2020.

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