

Important Updates for Businesses Related to Covid Relief Programs

Posted August 9, 2021

Paycheck Protection Program (PPP)

If your business is one of the many that took advantage of the Small Business Administration's Paycheck Protection Program (PPP) during the Covid-19 pandemic, we have an important update. Some businesses that applied for first round PPP loans are running out of time to apply for loan forgiveness. It depends on the dates of your covered period as part of the PPP loan. **Borrowers must apply for forgiveness within 10 months of the last day of their covered period.** That could be later this month for some. Be sure to speak with your GJM team if your business has yet to file for forgiveness or reach out to your lender for clarification. If you fail to apply for forgiveness, the PPP loan will be treated as a non-forgivable loan that your business must pay back.

Employee Retention Credit (ERC)

The IRS has come out with some clarification on guidelines for businesses taking advantage of the Employee Retention Credit. As the extended tax deadline approaches for businesses to file their 2020 federal tax returns, now is the time to iron out how your business plans to utilize the ERC. Something else to keep in mind: new infrastructure legislation introduced in early August may impact how your business utilizes ERC. As the bill stands now, it is possible that ERC may no longer apply in the fourth quarter of 2021. The IRS has provided a brief summary of some key changes, as well as the entire notice (IRS Notice 2021-49), which you can access at [this link](#).

Should you have any questions about your PPP forgiveness process, ERC, or other updates to pandemic relief programs for your business or organization, don't hesitate to reach out to your GJM client service team to discuss.

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