

CARES Act Becomes Law: How it Can Help You and Your Business

Articles, COVID 19: Answers to Business Challenges March 28, 2020

The news has spread that on Friday, March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act contains \$2.2 trillion in funding to combat the economic fallout caused by COVID-19, making it the largest stimulus package in American history. Below are highlights of some of the key provisions. Tucker Arensberg's COVID-19 Rapid Response Team is available to provide additional guidance on specific provisions.

- *Direct Payments to Individuals:* the CARES Act will provide one-time payments of \$1,200 for most adults or \$2,400 for married persons, with additional payments of \$500 per child. The payment amount is reduced for individuals making more than \$75,000 or married persons making more than \$150,000.
- *Expanded Unemployment Insurance:* Unemployment benefits will increase by \$600 per week over the current level in each state. Unemployment checks will continue for a longer time period, and more people (such as independent contractors, gig and freelance workers) will be eligible for unemployment checks.
- *Lending Programs for Businesses:* the CARES Act sets up a fund to support a new Federal Reserve program that offers up to \$4.5 trillion in loans to businesses, states and cities. A percentage of this money is designated to specific industries; for example, the airline industry. However, the vast majority of the money is for loans or loan guarantees that will be distributed by the Secretary of the Treasury. Congress also imposed restrictions on how this money can be spent.
- *Assistance for Small Businesses:* the CARES Act provides loans totaling roughly \$377 billion to help small businesses (up to 500 employees) cover expenses like payroll, rent, and utilities. Emergency grants are also available to small businesses.
- *Aid to States and Local Governments:* the CARES Act provides about \$150 billion in assistance to states and local governments.

For additional information contact your Tucker Arensberg attorney or Katherine Janocsko.