News Release

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Experts Share Financial Relief Program Terms for U.S., Canada at FGIA Virtual Summer Conference

SCHAUMBURG, IL – A panel discussion of financial relief programs for those in the U.S. and Canada took place at the Fenestration and Glazing Industry Alliance (FGIA) Virtual Summer Conference, offering options for large and small businesses for individuals and employees impacted by COVID-19 and its related financial hardships. Moderated by Paula Goedert of Barnes & Thornburg (and also legal counsel for FGIA), panelists Mary Comazzi also of Barnes & Thornburg and Karen Cooper of Drache Aptowitzer shared their knowledge of several emergency funding programs, their terms and how to apply for them.

“It's been a bit of a moving target, but we are keeping up with it,” said Comazzi of the U.S. government’s offerings to businesses.

Comazzi shared a series of programs available to those in the U.S.:

1. Paycheck Protection Program (PPP) Loans and Forgiveness
2. Economic Injury Disaster Loans (EIDL) and Emergency Advance
3. Payroll Tax Deferral Program
4. Employee Retention Credit
5. Main Street Lending Program

For the PPP, the deadline to apply was June 30, 2020. Its loan proceeds can only be used to pay payroll costs, including commissions and benefits, interest on mortgage obligations incurred before February 15, 2020, rent under lease agreements in force before that date or for utilities for which services began before that date.

Next, Comazzi described EIDLs, which are working capital loans provided directly by the U.S. Treasury with a maximum 30-year term. These loans have an interest rate of 3.75 percent, although nonprofits have a rate of 2.75 percent.

“These are traditionally only available to small businesses and nonprofits of any size, but the CARES Act expanded eligibility to include all businesses with 500 or fewer employees, sole proprietors and independent contractors,” said Comazzi.

In the third option, the Payroll Tax Deferral Program, employers may defer payment of the employer’s portion of federal payroll taxes they would otherwise be responsible for paying in 2020.

“The amount of the deferred payroll taxes may be paid over the following two years, with 50 percent to be paid by December 31, 2021, and the remaining 50 percent to be paid by December 31, 2022,” said Comazzi.

Fourth, the Employee Retention Tax Credit is a payroll tax credit based on compensation paid to employees during the COVID-19 crisis. It is a refundable payroll tax credit for 50 percent of qualified wages for the first $10,000 per employee paid from March 13 through December 31, 2020.

Finally, the Main Street Business Finance Program will operate through three facilities: the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF) and the Main Street Expanded Loan Facility (MSELF), said Comazzi.

Cooper reviewed programs in Canada, including:

1. Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy
2. Canada Emergency Response Benefit (CERB)
3. Canada Emergency Commercial Rent Assistance (CECRA)
4. Ontario Specific Measures Employer Health Tax (EHT)

CEWS is a wage subsidy provided by the Canadian government for qualifying businesses, for up to 24 weeks, retroactive to March 15, 2020 and ending August 29, 2020. This program currently applies at a rate of 75 percent on the first $58,700 normally earned by employees –representing a benefit of $847 per week.

“Employers who see a reduction of gross revenues of at least 30 percent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy,” said Cooper. She recommended those interested go online to [calculate](https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-calculate-subsidy-amount.html) the subsidy.

Next, CERB provides temporary income support to workers who have stopped working and are without employment or self-employment income for reasons related to COVID-19. This program is temporary and paid in blocks of four weeks in the amount of $2,000, which is equivalent to $500 per week, said Cooper.

“This is only available to those who stopped work and are not earning employment or self-employment income as a result of COVID-19 for at least 14 consecutive days within a 4-week period in which they apply for payment,” said Cooper.

Finally, CECRA is a rent assistance program, though it is only for landlords, said Cooper, adding that this was the largest criticism of the program.

This program provides unsecured, forgivable loans to eligible commercial property owners to reduce the rent owed by their impacted small business tenants and to meet operating expenses on commercial properties.

“Property owners must offer a minimum of a 75 percent rent reduction for the months of April, May and June 2020,” said Cooper.

For those in Ontario, there is the EHT exemption, which is a payroll tax paid by employers based on total annual Ontario remuneration. The top rate is 1.95 percent, Cooper said.

“Private-sector employers, excluding registered charities, with a total remuneration amount of less than $5 million are currently eligible for an EHT exemption on up to $490,000 of their payroll,” said Cooper.

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