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A blue rectangular graphic with white and red text. It features two red, spiky virus-like icons on the left. The text reads: "COVID-19" in large white and red letters, "RESPONSE TEAM" in white, and "COVID19@APPLEGROWTH.COM" in smaller white letters. At the bottom left, it says "APPLE GROW+H PARTNERS Healthy Growth." and at the bottom right, "YOUR PARTNERS FOR NAVIGATING COVID-19 UPDATES FOR BUSINESS OWNERS".

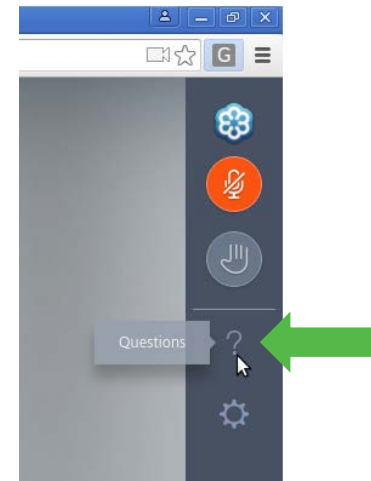
COVID-19
RESPONSE TEAM
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YOUR PARTNERS FOR NAVIGATING
COVID-19 UPDATES FOR BUSINESS OWNERS

Legislation and Planning Opportunities

PRESENTED BY ASHIRA NELSON AND ROBERT NEIDES

Welcome

- + All attendees are placed on listen-only mode
- + Submit a confidential question at any time
- + Questions will be reviewed by our team and followed up after the webinar
- + Contact information will be provided
- + Today's webinar recording will be sent via email within 2 hours



Disclaimer

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COVID-19 Response Team

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Sue Peirce, CPA, MTax
Principal, COVID-19 Leader



Kathy Davis
Senior Manager



Brandon Fredericks, CPA
Senior Manager



Dave Gaino, CPA
Principal



Robert Jackson, CPA
Senior Manager



Toby Kaye, CPA, MTax
Manager



Bethany Lawrence
Senior Associate



Taylor Lorenz, MAcc
Supervisor



A'Shira Nelson, CPA
Manager



Matt Silla, ASA, CFA
Senior Manager

Webinar Objectives

- + Economic Impact Payments
- + Gifting between generations
- + Retirement Plans
- + Student loan relief
- + PPP Loan Forgiveness
- + Employer Social Security Tax
- + Business Interruption
- + Other Opportunities for Businesses

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Bob Neides, CPA
Principal



A'Shira Nelson, CPA
Manager

Economic Impact Payments

+ Eligibility

+ Amount of Payment

+ IRS Website:

[https://www.irs.gov/coronavirus/economic-
impact-payments](https://www.irs.gov/coronavirus/economic-impact-payments)

Economic Impact Payments

Amount of the payments:

- + Individuals will receive a maximum of \$1,200.
- + Joint filers will receive a maximum of \$2,400.
- + Qualifying child you claimed will receive an additional maximum \$500 payment.

Gifts between Generations

- + This is a good time to consider Intergenerational gifting.
- + The Federal threshold for a taxable estate is \$11,580,000 per individual in 2020. For a married couple, the combined threshold is \$23,160,000.
- + Annual Federal Gift Exclusion: \$15,000

Retirement Plans

- + **Traditional IRAs and 401(k)** plans allow individuals to contribute pre-tax dollars to a retirement account where investments grow tax-deferred until withdrawal during retirement.
- + Upon retirement, withdrawals are taxed at the owner's current income tax rate.
- + Contribution limits exist and required minimum distributions (RMDs) must begin at age 72 (unless, with respect to a 401(k) plan you are still employed with the company and you own less than 5% of the company).

Retirement Plans

- + **Roth IRA and a Roth 401(k)** are accounts where you contribute after tax money into your retirement account. Investments grow tax free and all future withdrawals are tax-free.
- + You can't contribute to a Roth IRA if you make too much money. In 2020, the limit for single individuals is \$139,000. For married couples, the limit is \$206,000.

Retirement Plans

- + Consider Converting Traditional IRA's to Roth IRA's
- + Suspension of Required Distributions for 2020
- + Companies with Cash Balance or Defined Benefit Plans can consider freezing accruals.

Student Loan Relief

- + The government has announced that it will give almost all federal student-loan borrowers the option to suspend payments for at least two months.
- + The repayment and interest suspensions apply to most of 43 million Americans who owe \$1.5 trillion in federal student debt.
- + If you are not sure if your loans qualify, contact your service provider.

- + The SBA has already allocated all of the \$349 billion under the program. As of April 16, 1.6 million loans were extended under this program.
- + Independent contractors and self-employed individuals were at a distinct disadvantage since they couldn't even apply until April 10.
- + Hopefully, Congress will allocate more money for this program.

- + For small businesses that have received money under the PPP Loan program, it is important to keep good records to support your loan forgiveness application.
- + The following costs will be eligible for forgiveness:
 - + Payroll costs;
 - + Any payment of interest on any mortgage obligation that was incurred before February 15, 2020,
 - + Any payment of rent under a leasing agreement in force before February 15, 2020,
 - + Any utility payment, including payment for electricity, gas, water, telephone, or internet access for which service began before February 15, 2020.

- + **There is a Rehiring grace period**
- + You can rehire any staff that were laid off or put on furlough and reinstate any pay that was decreased by more than 25% to meet the requirements for forgiveness. You have until June 30th to do so.

Employer Social Security Tax

- + The CARES Act provides that employers may defer the deposit and payment of the employer's portion of Social Security taxes.
- + However, Employers that received a PPP loan may not defer the deposit and payment of the employer's share of Social Security tax after the employer receives a decision from the lender that the loan was forgiven.
- + The deferral applies to deposits and payments of the employer's share of Social Security tax beginning on March 27, 2020 and ending December 31, 2020.

Business Interruption

- + All businesses should review their insurance coverage to determine if they are covered for business interruption.
- + Consult with your insurance agents and attorney to determine if they can file a claim.

Other Opportunities

- + Treatment of Net Operating losses
- + Changes to the Interest Limitation Deduction
- + Depreciation of Qualified Improvement Property

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Thank You

See our full coverage and updates at applegrowth.com/COVID19