

MORE INFO ON LOAN FORGIVENESS & REDUCTION OF FORGIVENESS

SBA 7(a) Paycheck Protection Program Loan (PPP)

SBA 7(a) PPP Loan Forgiveness

- Any **payment made during the 8 weeks after loan origination** for the following:
 - Payroll (including paid sick, medical or family leave, up to \$8333.33 per month each)
 - Group health benefits
 - Rent (Including rent payments made to other companies that you own)
 - Mortgage interest (don't defer loan payments)
 - Utilities
- It can not exceed the original loan amount. **No more than 25% of your loan can be forgiven for non-payroll expenses.**
- **Amounts forgiven shall be excluded from taxable income on 2020's tax returns**

PPP Loan Forgiveness Reduction

- If you have **fewer full time employees (monthly average)** during your 8-week forgiveness period, compared to either (i) February 15 - June 30 of 2019 or (ii) January 1 - February 29 in 2020 (borrower's choice), your forgiveness amount will be **reduced by that percentage decrease**.
- If you **reduce an employee's total wages by more than 25%** during your 8-week forgiveness period, compared to the last full calendar quarter, your forgiveness amount will be **reduced by that dollar amount** (this potential reduction doesn't apply to employees making more than \$8333.33 per month).
- However, an employer who laid off employees between February 15 and April 26, but then **rehires them at the same pay rates** by June 30th, **will not be penalized**.
- If you pay an employee an annualized salary in excess of \$100,000 or \$8,333.33 per month, **amounts over \$8,333.33 per month will not be forgiven**.
- You won't be forgiven for Families First paid leave amounts that you can get a tax-credit for (explained later).

Calculating your PPP Loan 75/25 forgiveness ratio

75% to payroll, benefits & state/local taxes

25% for other expenses

Example:

Payroll for W2 employees (Assistants, Front Desk, Hygienist, Office Manager) = \$31,500/month

Payroll for an W2 Associate Doctor = \$8,333.33/month (maximum allowed)

Payroll for any W2 income you pay yourself = \$8,333.33/month (maximum allowed)

Group health insurance, sick leave/vacation, severance pay = \$2,000/month

State & local taxes = \$1,050/month

Total average monthly payroll = \$51,216

Maximum loan amount = 2.5 x total average monthly payroll of \$51,216 = \$128,040

The maximum you can spend on other expenses (rent, utilities, etc.) = 25% of \$128,040 = \$32,010

eAssist 7(a) PPP Loan Calculator & Forgiveness Estimator



Paycheck Protection Program Loan Amount Estimator

We created this 7(a) PPP Loan calculator to help dentists and practice owners as they seek financial peace of mind in the midst of the Coronavirus (COVID-19) crisis. Please know that we aren't accountants or lawyers, we're just dentists seeking to help our fellow dentists.

The calculations used here are based off of what we read in the CARES Act, but the fluid nature of this crisis and the government's response means it is subject to change. Some lenders may not include contractors in payroll expenses, others do.

To find an SBA approved 7(a) PPP lender and apply for this loan, visit:
<https://www.sba.gov/paycheckprotection/find>

For more information on how to help your dental practice survive this pandemic, visit
<http://DentalBilling.com>

Last Year's Payroll Expenses From 2/1/2019 through 1/31/2020

W2 Employees

Enter Separately (more accurate) Enter Monthly Average Lump Sum

W2 Employee Employee 1	Total Paid \$ 0	X
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W2 Employee Employee 2	Total Paid \$ 0	X
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W2 Employee Employee 3	Total Paid \$ 0	X
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+ Add W2 Employee

Other Payroll Expenses 2/1/2019 through 1/31/2020

DentalBilling.com/estimator