



# **Cammie Scott** **NAIFA President**



# Today's Agenda

- Welcome, Cammie Scott, NAIFA President
- CEO Update, Kevin Mayeux, NAIFA CEO
- Introduction of Speakers, Cammie Scott
- Stimulus Package Overview: Diane Boyle, SVP, Government Relations
- Panel Discussion: Keith Gillies, Todd Villarrubia, Mark Massey

# Town Halls are for You

- Tools for Your Clients: New Member Website
  - Downloadable Collateral to Send to Clients & Prospects
  - Collaborative Library
  - Get Involved with Video
- Tools for Consumers: FinancialSecurity.org

FinancialSecurity.org

## Coronavirus Concerns?

### You Chose Wisely

Your financial services professional is a member of the [National Association of Insurance and Financial Advisors \(NAIFA\)](#). NAIFA members are committed to personal and professional excellence so that they can provide the best possible service to you. Your advisor or agent abides by [NAIFA's Code of Ethics](#), which means they pledge to put your best interests first. During times of crisis, you should look to your financial services professional as an essential business partner in your financial security.

The COVID-19 outbreak has disrupted everyone's lives, changing our routines and the way we interact with business. The pandemic has created fear and uncertainty. Fortunately, your financial professional is a source of stability, reassurance, and guidance. Together, you're just a plan in place that works to protect your and your family's long-term financial security, and your financial professional's capabilities help you through short-term challenges, such as this one.

Just as your advisor stands alongside you during the ongoing COVID-19 crisis, NAIFA stands with your advisor. NAIFA gives your advisor a support network of 250,000 licensed financial services professionals in every state, so they can help you with your concerns. There are no longer your financial professional on their own or for guidance and advice, to ensure they are doing their best work for you. They are colleagues your advisor can partner with to provide you highly specialized products and services.

Through their NAIFA membership, your financial professional has the backing of NAIFA's political advocacy strength. We are ensuring that policymakers in Washington, D.C., and your state capital, as they formulate responses to the COVID-19 outbreak, are looking out for the interests of Main Street Americans like you.

You chose wisely when you chose a financial professional who is a NAIFA member. We're all in this together, and together we can take on anything!

For additional online resources, visit [NAIFA's COVID-19 Resource Hub](#).

FinancialSecurity.org You Choose a Trusted Financial Services Professional Today to Ensure Your Financial Security Tomorrow.


## WE WORK FOR YOU

Resources for COVID-19

### Small Business

Resources for Coping with the COVID-19 Crisis

NAIFA members provide Main Street USA small businesses with financial and human resources services in normal times and times of crisis. In addition, many NAIFA members are small business owners and employees themselves, operating practices in communities around the country. This resource guide provides credible sources of information and guidance to help small business succeed in light of the COVID-19 outbreak.



**JENNIFER A. HODGES  
LACP CIC**  
Springfield, Missouri  
LACP, Missouri, since 2002

Jennifer talks about business interruption insurance and some recommendations for what to consider and where you may provide sources of relief.

### SAFE SOURCES YOU CAN TRUST

GUIDANCE AND ADVICE

- The U.S. Small Business Administration (SBA) has compiled a "Coronavirus (COVID-19) Small Business Guidance & Loan Resources" guide.
- SCORE, a nonprofit network of small business mentors, provides experts who can answer questions and help small business owners address COVID-19 outbreak-related financial issues.

FinancialSecurity Resources  
Scams & Personal Security  
Small Business



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# April Town Hall Series

- April 6: Jamie Hopkins
- April 9: Bill Cates
- April 13: Dave Resseguie
- April 16: Joe Jordan
- April 20: Diedre Van Nest
- April 23: Wade Pfau
- April 27: David McKnight
- April 30: Scott Brennan

**Kevin Mayeux**  
**NAIFA CEO**





# CEO Update

- Letter to All Chief State Regulatory Officials on Producer License Accommodations & to CEOs on Commissions Protecting the Producer
- Creation of Trusted & Safe Resources for Consumers
- Continued work on the FEMA NBEOC





# NAIFA NATION **IMPACT** **WEEK**

**May 19**

## **Diversity Symposium**

ADAPTING YOUR PRACTICE  
TO A CHANGING

**May 20**

## **Advocacy In Action Day**

YOUR VOICE IS NEEDED MORE  
THAN EVER

**May 21**

## **Leadership Day**

LEADING YOUR PRACTICE IN  
CHALLENGING TIMES



# Cammiie Scott NAIFA President

## Today's Speakers



# SPEAKERS



**Diane Boyle**

SVP Government Relations, NAIFA



**Keith M. Gillies**

Managing Principal of Wealth  
Solutions, LLC



**Todd Villarrubia**

Board Certified Expert in Estate  
Planning and Administration



**Mark Massey**

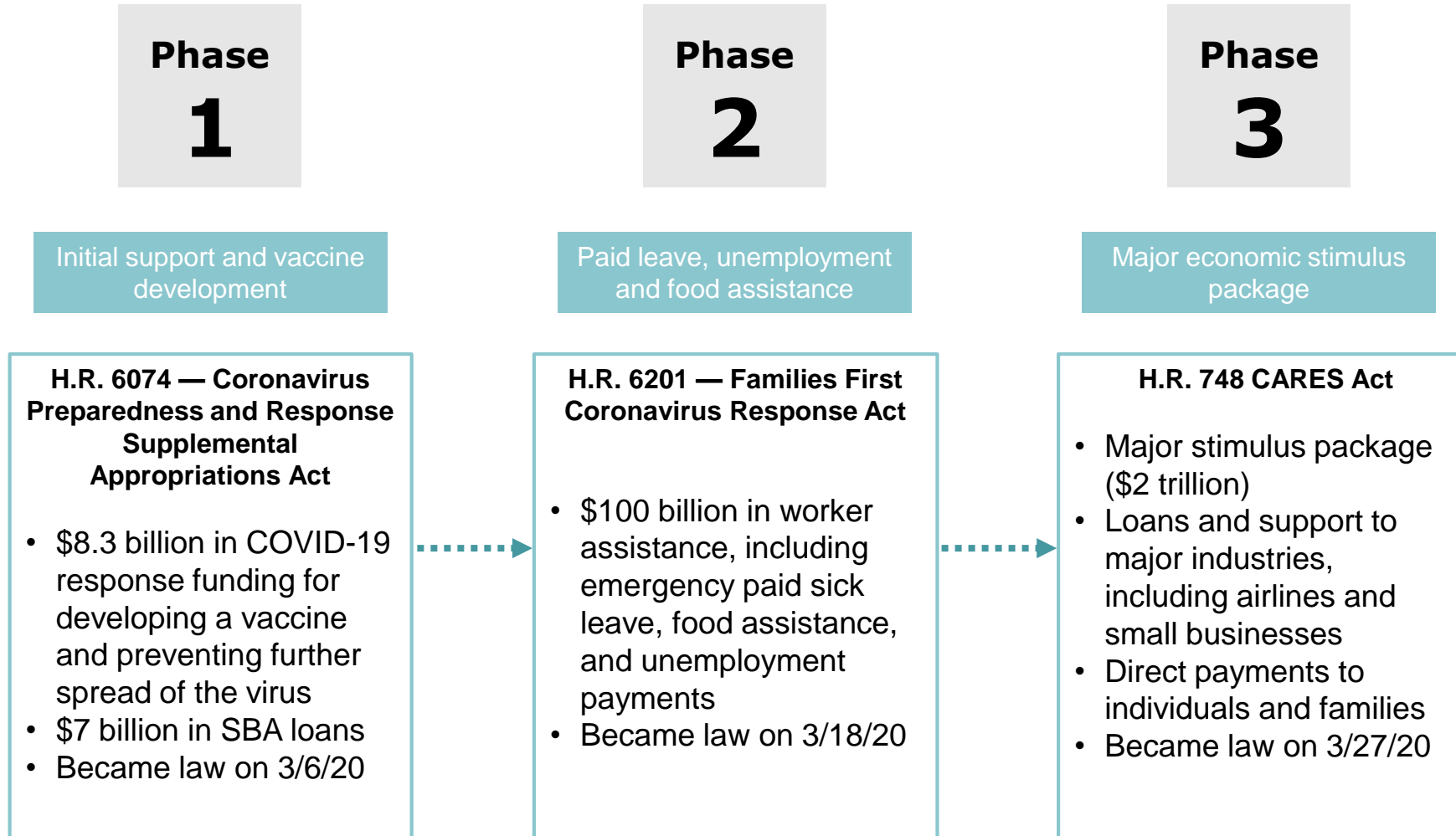
Vice President of SMA Services Inc



Advocate. Educate. *Differentiate.*

# Understanding The CARES Act:

How the Stimulus Package Will Impact  
Consumers and Small Businesses



# Phase 1 - Coronavirus Health Funding and Small Business Loans

- \$8.3 billion in emergency health funding
- \$7 billion in small business loans
- Signed into law March 6, 2020
- [Public Law 116-123](#)



# SBA Economic Injury Disaster Loans

- \$2 million in assistance for each affected small business
- Used to pay fixed debts, payroll, accounts payable and other bills that can't be paid due to the epidemic's economic impact
- 3.75% interest rate for small businesses
- 2.75% interest rate for nonprofits.
- Every type of small business has a size standard identified by a code under the North American Industry Classification System
- Apply at SBA's Disaster Assistance [website](#) or call (800) 659-2955

***SBA designation for small business insurance agencies or brokerages is \$8 million in revenue***

***Portfolio management or investment advice are considered small businesses if they have annual sales less than \$41.5 million***

***Applicant must affirm "Applicant is not in the business of lobbying"***

# Phase 2 - Families First Coronavirus Response Act (FFCRA)

- Creates emergency paid leave programs
- Applies to employers with fewer than 500 employees
- Two weeks paid sick time
- 10 weeks leave at 2/3 salary
- Signed into law March 18, 2020

## ***Waiting for Guidance***

***Exception:*** Employers with fewer than 50 employees, may apply for an exemption to the rules if complying with them would “jeopardize the viability of the business as a going concern.”

***Government pays:*** Payment will come by way of refundable payroll tax credits. Government-paid paid leave will also be available to self-employed individuals.



# Emergency Paid Leave Requirements

	What employers does this apply to?	What is the required duration of leave?	What are qualifying reasons for taking leave?	What is the required wage replacement?*
<p><b>Paid sick leave</b></p> <p><b>Takes effect:</b> April 2, 2020</p> <p><b>Expires:</b> December 31, 2020</p>	<ul style="list-style-type: none"> <li>Private sector employers that have fewer than 500 employees</li> <li>Public sector employers that have one or more employees</li> <li><i>Small businesses with less than 50 employees may be exempted if leave requirements would burden the business too much</i></li> </ul>	<ul style="list-style-type: none"> <li>Two weeks of paid sick leave for full-time employees that meet leave eligibility requirements</li> <li>Part-time employee leave is based on the average hours they work</li> </ul>	<ol style="list-style-type: none"> <li>Gov. mandated COVID-19 related quarantine</li> <li>Health care provider advised quarantine</li> <li>Experiencing symptoms or seeking diagnosis</li> <li>Caring for quarantined individuals or children who are at home due to COVID-19</li> <li>Experiencing a similar condition as defined by HHS</li> </ol>	<ul style="list-style-type: none"> <li><b>If home due to reasons 1-3:</b> Regular rate of pay, capped at \$511 daily and \$5,110 in the aggregate</li> <li><b>If home due to reasons 4-5:</b> 2/3 of regular rate of pay, capped at \$200 daily and \$2,000 in the aggregate</li> </ul>
<p><b>Family and medical leave</b></p> <p><b>Takes effect:</b> April 2, 2020</p> <p><b>Expires:</b> December 31, 2020</p>	<ul style="list-style-type: none"> <li>Private sector employers that have fewer than 500 employees</li> <li><i>Small businesses with less than 50 employees may be exempted if leave requirements would burden the business too much</i></li> </ul>	<ul style="list-style-type: none"> <li>Ten weeks of paid family and medical leave for full-time employees that have been with the company for at least a month</li> <li>Part-time employees are “eligible for leave for the number of hours that the employee is normally scheduled to work over that period”</li> </ul>	<ul style="list-style-type: none"> <li>Unable to work or telework because caring for quarantined individuals or children who are at home due to COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>At least 2/3 of regular rate of pay, capped at \$200 daily and \$10,000 in the aggregate</li> </ul>

\*Private sector employers that have less than 500 employees are eligible for a 100% payroll tax credit to cover required leave wages and certain medical expenses

Sources: Ways and Means Republicans, Department of Labor.

# Final Rule and Guidance

## Final Rule

[Final Rule: Paid Leave under the Families First Coronavirus Response Act](#)

## Fact Sheets

[Employee Paid Leave Rights \(PDF\)](#)

[Employer Paid Leave Requirements \(PDF\)](#)

## Questions and Answers

[Questions and Answers](#)

[COVID-19 and the Fair Labor Standards Act: Questions and Answers](#)

[COVID-19 and the Family and Medical Leave Act: Questions and Answers](#)

## Posters

[Employee Rights](#)

[Notice – Frequently Asked Questions](#)

## Field Assistance Bulletin

[Field Assistance Bulletin 2020-1: Temporary Non-Enforcement Period Applicable to the Families First Coronavirus Response Act \(FFCRA\)](#)

# Phase 3 - Coronavirus Aid, Relief, and Economic Security Act (CARES)

- \$2.2 trillion to rescue the economy
- Tax rebate checks  
\$1,200 (individuals) or \$2,400 (married)
- Expanded unemployment insurance
- HSA, FSA, HRA enhancements
- Charitable giving incentive
- Retirement savings provisions
- Paycheck protection program for small businesses including self-employed
- Employee retention tax credit
- Delays payroll tax payments for employers
- Carryback of Net Operating Losses
- Employer-Provided Tax-Free Student Loan Repayments
- Signed into law on March 27, 2020
- [Full CARES Act Text](#)



# Tax Rebate

- This comes in the form of a one-time tax rebate check of \$1,200 per individual in the household and \$500 per child for those with a valid SSN. There are no earned income or tax liability requirements to receive these rebate checks.
- Full rebate amount for those with incomes at or below \$75,000 for individuals, \$112,500 for head of household, and \$150,000 for married couples.
- Payments are phased out above those thresholds until it is phased out completely for single taxpayers with incomes exceeding \$99,000 and \$198,000 for joint filers.

# Unemployment Benefits

- Unemployment will be paid under the applicable state rules, but for four months, and with an additional federally-funded \$600/week payment, when unemployment is as a result of the coronavirus crisis.
- Expands unemployment benefits to cover more workers including self-employed and independent contractors. Independent advisors, and clients like gig workers and Uber drivers, who do not usually qualify for unemployment.



# HSA, FSA, and HRA Enhancements

Changes for users of health savings accounts (HSAs), flexible spending accounts (FSAs), and health reimbursement arrangements (HRAs):

- Over-the-counter drugs and medicines not prescribed by a physician can now be reimbursed pre-tax.
- Menstrual care products are now considered eligible expenses.
- Health plans can now cover telehealth services pre-deductible without impacting HSA eligibility. This “safe harbor” is effective immediately but will remain so only for plan years beginning on or before December 31, 2021.
- The changes to eligible expenses are retroactively effective January 1, 2020.



# Charitable Giving Incentive

- A temporary universal charitable deduction of up to \$300 available for cash-only, non-itemized tax filings.
- The current adjusted gross income limits will be temporarily suspended for charitable deductions for cash gifts.
- Available to individuals and businesses.



# Retirement Savings

- Suspends required minimum distributions for 2020.
- Allows plan participants to borrow all of their vested account balances, up to \$100,000, and extends the time for repaying these loans.
- Waives the penalty tax on early withdrawals. Repayments of these withdrawals and loans (all of which must be coronavirus crisis-related) can be made within three years, and regular income tax on these withdrawals can be paid over a three-year period.
- Includes a rule that allows single employer defined benefit (DB) plan sponsors more time to make required contributions to their DB plans. Such payments can be deferred for a year, but interest on the required contributions for the deferred year must be paid.

# Paycheck Protection Program

- A new \$350 billion loan program for small businesses, self-employed, and gig workers to help them stay afloat during the COVID-19 pandemic. If employers maintain payroll, the loans would be forgiven.
- Small businesses (fewer than 500 employees), Veterans organizations, and Tribal businesses, as well as sole proprietors, self-employed and independent contractors are eligible.
- Businesses in the accommodation and food service industry with more than one location - each store location could be eligible.
- 501(c)3 non-profits are eligible.
- No other 501(c) organizations are eligible, including NAIFA chapters and chambers structured as 501(c)6s.
- Physician practices are eligible, no matter how they are structured.



# Paycheck Protection Program

- The maximum size of the loan is 250% of an employer's average monthly payroll cost during Feb. 15, 2019 to June 30, 2019, capped at \$10 million.
- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses
- Eligible payroll expenses include wages and salaries, the amount of employer-paid group health insurance, retirement benefit costs, and payroll taxes payable.
- Forgiven loans exclude salary amounts above \$100,000 and paid leave expenses covered by the government through other coronavirus-related programs.
- Loan amounts that are not forgiven will be regular loans, with terms not to exceed 10 years and at interest rates that cannot exceed four percent.
- Forgiven loan amounts will not be includible in the borrower's taxable income.
- Guidance on how the program will work must be issued within 30 days of the law's enactment
- Borrowers apply for these loans through participating banks.

# Employee Retention Credit

- Employers of all sizes are eligible for a refundable 50 percent tax credit on the employer-paid portion of payroll taxes on wages up to \$10,000 per employee.
- Excluded from this tax credit are payroll taxes that are covered under the new paid leave and/or paycheck protection program rules.
- Good option for employers not eligible for the paycheck protection program.



# Delay in Payment of Payroll Tax

- Employers would be able to delay the payment of their 2020 payroll taxes until 2021 and 2022, leading to approximately \$300 billion of extra cash flow for businesses.
- This provision applies to self-employed persons, too.
- The provision requires that the deferred employment tax be paid over the following two years, with half to be paid by December 31, 2021 and the other half by December 31, 2022.



# Carryback of Net Operating Losses

- Five-year carryback of net operating losses that arose in 2018, 2019 or 2020.
- Businesses can amend tax returns back to 2013.
- Expands use of carrybacks to sole proprietors and passthrough entities.



# Employer-Provided Tax-Free Student Loan Repayments

- Enables employers to provide a student loan repayment benefit to its employees on a tax-free basis by expanding the type of permitted expenses under an “educational assistance program” to include student loan repayments made by an employer on behalf of an employee.
- If an employer has or adopts an educational assistance program, the employer may make student loan payments on behalf of an employee up to \$5,250 annually and such payments would be excluded from an employee’s taxable income.
- The \$5,250 cap applies to the aggregate of the student loan payments and any other permitted qualified education expenses provided under the employer’s educational assistance program.
- The tax-free benefit for the student loan repayments applies only for payments made after March 27, 2020, and before January 1, 2021.





# Group Health Plans

- Must cover COVID-19 diagnostic testing with no cost-sharing, prior authorization or medical management requirements.
- Must cover qualifying coronavirus preventive services at no cost sharing if in-network, within 15 business days after a recommendation is made relating to the qualifying coronavirus preventive service.



# Small Business Resources

## U.S. Department of Treasury

- [Top-line overview of the Paycheck Protection Program](#)
- [If you're a lender, more information can be found HERE](#)
- [If you're a borrower, more information can be found HERE](#)
- [The application for borrowers can be found HERE](#)

## Small Business Administration

- [Paycheck Protection Program](#)
- [Economic Injury Disaster Loans and Loan Advance](#)
- [SBA Debt Relief](#)
- [SBA Express Bridge Loans](#)
- [Guidance for Businesses and Employers](#)
- [SBA Products and Resources](#)
- [Government Contracting](#)
- [Local Assistance](#)

## Congress

- [FAQ from the Senate](#)
- [House Small Business Loan Chart](#)

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