

**Self-Employed Example**

**SMALL BUSINESS INTERRUPTION LOANS**

**Paycheck Protection Program**

**Estimated Maximum Loan Availability and Forgiveness Amount**

**Maximum Loan Amount**

*Represents the maximum amount a qualified borrower may apply for.*

	Last 12 Months	Average Monthly
<b>Maximum Loan Amount:</b>		
Payroll Costs:*		
Salaries, wages, commissions, vacation and sick pay (not to exceed \$100K per employee) other than qualified sick or family leave	\$ 225,000	\$ 18,750
Group Health Insurance	33,000	2,750
Retirement Benefit Costs	18,000	1,500
State/Local Taxes on Employee Compensation (i.e., employer U.C. tax)	385	32
Self-Employed Income (and subcontractors) not to exceed \$100K per year per self-employed prorated for the period February 15, 2020 to June 30, 2020	75,000	6,250
		29,282
		2.5
<i>Subtotal</i>	<b>a) \$</b>	<b>73,205</b>
<b>TENTATIVE MAXIMUM LOAN AMOUNT [Lesser of a) or \$10 million]</b>	<b>b) \$</b>	<b>73,205</b>
<b>If you have SBA EIDL Loan of \$10,000 it would be added here</b>		

**Allowable Uses of Funds During the Period February 15, 2020 to June 30, 2020:**

- 1) Payroll costs (defined above)
- 2) Health care benefits (including group health insurance)
- 3) Interest on mortgages (not principal)
- 4) Rent (including rent under a lease agreement)
- 5) Utilities
- 6) Interest on any other debt obligations that were incurred before the covered period (February 15, 2020).

**Loan Forgiveness Amount**

*Represents the maximum amount a qualified borrower may have forgiven.*

**Costs Incurred During the "Covered" Period (8 weeks following loan origination):**

Payroll Costs (defined above) - Must be at least 75% of c)	76.67%	\$ 46,000
Earnings from Self-Employment (if applicable)		
Rent		9,000
Utilities		1,800
Interest on Covered Mortgages (on real or personal property)		3,200
<b>Tentative Loan Forgiveness (before required reductions)</b>	<b>c) \$</b>	<b>60,000</b>

**LESS: Required Reductions in Loan Forgiveness:**

*Number of Employees:*

Monthly Average Full Time Equivalent ("FTE") Employees for the Covered Period (8 weeks following origination of the covered loan)\*\*

5

*Lesser of (at borrower's choice):*

Monthly Average FTE's for the period February 15 to June 30, 2019

8

Monthly Average FTE's for the period January 1 to February 29, 2020\*\*

6

% Reduction

16.67%

**(10,000)**

*Compensation Reduction:*

Individual Employee Compensation Reduction in Excess of 25%  
Compared to the Most Recent Full Quarter Before Origination of Loan\*\*\*  
Tentative Loan Forgiveness

-  
d) \$ 50,000

**TOTAL LOAN FORGIVENESS [lesser of b) or d) above]**

e) \$ 50,000

**BALANCE OF LOAN NOT FORGIVEN (if any)**

\$ 23,205

\* For seasonal businesses, use the costs incurred during the period February 15, 2019 or, at the election of borrower, March 1 to June, 30, 2019.

\*\* A reduction in FTE's between February 15th and April 27th, 2020 is disregarded if the reduction is eliminated by June 30, 2020 for purposes of the reduction in number of employees and/or compensation.

\*\*\* Compensation Reduction does not apply to any employee who, during any pay period in 2019, wages or salary at an annualized rate of pay in an amount of more than \$100,000. After adjusting for the highly compensated down to \$100,000, a comparison of the base period wages (the most recent full quarter's wages before the loan origination) is made to wages paid for the eight-week period and a reduction of more than 25% will result in the reduction of the Tentative Loan Forgiveness Amount.

**NOTE: Yellow highlighted cells represent variables that should be completed with final client data. Filled in amounts are for illustration purposes only.**