

Signed by President Trump on March 27, 2020, [H.R. 748](#), the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a \$2 trillion stimulus package in response to the immediate and projected fallout of the COVID-19 pandemic—the largest economic relief package in U.S. history. It is the third legislative response to COVID-19 and follows [H.R. 6074](#), an \$8.3 billion initial response, and [H.R. 6201](#) that included free virus testing and paid leave provisions. Argentum sought and secured financial support for senior living operators, including \$100 billion for healthcare providers, \$349 billion in loans for small businesses, and more than \$450 billion in liquidity for mid-sized businesses. Key provisions of this legislation include:

Liquidity for Mid-Size Businesses

- \$500 billion is provided through the Treasury Department’s Exchange Stabilization Fund, including \$454 billion through Federal Reserve lending programs for loans, loan guarantees and investments to eligible businesses related to coronavirus losses.
- Direct loans would assist mid-sized businesses with 500-10,000 employees and nonprofits, with no principal or interest due for at least six months.
- Loans are conditioned on:
 - Credit is not reasonably available for the business at the time of the transaction;
 - The interest rate is reasonable, and the loan duration is as short as possible (and no more than five years);
 - Businesses may not engage in stock buybacks or pay dividends until at least one year after the loan is repaid;
 - Borrowers must be domiciled in the U.S., as well as “maintain...employment levels as of March 24, 2020, to the extent practicable” until the end of September without cutting employment levels by more than 10% from what they were on that date.
 - Businesses can’t provide certain executive salary increases, bonuses or large severance payments from the time of the loan until one year after it is paid off.

Liquidity for Small Businesses

- \$349 billion is provided through 100% federally guaranteed loans to employers with fewer than 500 employees and 501(c)(3) non-profits. Loans are made through the SBA’s 7(a) loan program and cover salaries and health benefits during paid sick leave through June 30, 2020, retroactive from February 15.
- Loans can be made for up to \$10 million (or 2.5x the average monthly payroll based on the prior year) and can pay for payroll, mortgage, debt and other expenses associated with paying employees’ salaries.
- Loans used to pay preexisting debt, payroll, rent and utilities would be forgiven if employees are retained from February 15 through June 30, 2020, but forgiveness is reduced in proportion to any reduction in employees retained or in employee pay.
- The Small Business Reorganization Act would also be amended to increase the eligibility threshold to file for bankruptcy from \$2,725,625 of debt to \$7,500,000 of debt.
- The cap on SBA Express loans is increased from \$350,000 to \$1 million through December 31.

Paid Sick and Paid Family and Medical Leave

- Paid leave provisions expanded under the Families First Coronavirus Response Act (H.R. 6201) are capped at per-day and aggregate amounts for each employee:

Reason for Paid Leave	Amount Owed
<p>Subject to a Federal, State, or local quarantine or isolation order related to COVID-19</p> <p>-OR-</p> <p>Advised by a health care provider to self-quarantine related to COVID-19</p> <p>-OR-</p> <p>Experiencing COVID-19 symptoms and seeking a medical diagnosis</p>	<p>RATE OF PAY: Paid at either their regular rate or the applicable minimum wage, whichever is higher</p> <p>MAXIMUM BENEFIT: \$511 per day / \$5,110 in the aggregate (over a 2-week period)</p>
<p>Caring for an individual subject to a government order or advised by a health care provider to quarantine</p> <p>-OR-</p> <p>Experiencing any other substantially-similar condition specified by HHS</p>	<p>RATE OF PAY: Paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher</p> <p>MAXIMUM BENEFIT: \$200 per day / \$2,000 in the aggregate (over a 2-week period)</p>
<p>Caring for a child whose school or place of care is closed (or childcare provider is unavailable) for reasons related to COVID-19</p>	<p>RATE OF PAY: Paid at 2/3 their regular rate or 2/3 the applicable minimum wage, whichever is higher</p> <p>MAXIMUM BENEFIT: \$200 per day / \$12,000 in the aggregate (over a 12-week period—two weeks of paid sick leave (\$2,000) plus up to 10 weeks of paid expanded family and medical leave (\$10,000))</p>

Employer Taxes

- Employers will be able to defer the employer share of payroll taxes for up to two years (half due by December 2021 and the other half by December 2022), with a refundable payroll tax credit available for half of the wages paid by employers who were severely impacted during the pandemic to cover employee wages and applied against the employer's share of payroll taxes.
- Net operating losses from a tax year beginning in 2018, 2019, or 2020 can be carried back five years, and the taxable income limitation is temporarily suspended to allow a NOL to fully offset income. Companies can amend prior year returns.
- Employers will be able to contribute up to \$5,250 pre-tax annually toward their employees' student loans.

Individual Taxes

- Individuals will receive a rebate of up to \$1,200 (\$2,400 for couples) for those with an adjusted gross income of up to \$75,000 (\$150,000 for married couples), phasing out through individuals up to \$99,000 (\$198,000 for joint filers).
- The 10% early withdrawal penalty would be suspended for distributions of up to \$100,000 from qualifying retirement savings accounts for those with a coronavirus diagnosis or lapse in employment due to the coronavirus, or other related reasons.

Unemployment Assistance

- The Pandemic Unemployment Assistance program is established through December 31.
- An additional 13 weeks of unemployment benefits are provided for a total of 39 weeks, running through December 2020. Individuals will be able to claim an additional \$600 per week for up to four months beyond their state's unemployment benefit.
- A "short-time compensation" program is established for employers to reduce hours to avoid layoffs, with unemployment insurance providing a prorated benefit.

Healthcare Providers

- \$127 billion is provided for the Public Health and Social Services Emergency fund, including \$100 billion for healthcare providers, \$16 billion for the Strategic National Stockpile for PPE, respirators and ventilators, and \$11 billion for vaccines and medical needs. Argentum is working closely with the Trump Administration on implementation of this fund to ensure senior living operators have access to offset increased costs and revenue losses as a result of COVID-19.
- Healthcare providers who provide volunteer medical services during the public health emergency would have liability protections.
- \$955 million is provided for the Administration for Community Living for aging and disability services programs, including senior nutrition, home and community-based supportive services, family caregivers, elder justice, and independent living, and \$3.5 billion is provided for grants to states to keep childcare providers in business.

Healthcare Services and Coverage

- Health insurers are required to cover coronavirus testing with no cost-sharing and to cover a coronavirus vaccine without cost sharing within 15 business days of an A or B recommendation from the Preventive Task Force.
- Medicare beneficiaries will be able to receive a coronavirus vaccine in Part B with no cost-sharing.
- Medicare Part D plans are required to provide up to a 90-day supply of a prescription medication if requested during the coronavirus
- Patients will not need a pre-existing provider relationship to access telehealth services, and qualified providers are permitted to use telehealth technologies in order to fulfill the hospice face-to-face recertification requirement.