

April 3, 2020

Dear Valued Client:

Congress recently passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) to provide immediate relief in this time of crisis. The CARES Act covers a wide array of assistance to workers and businesses, but identifying what impacts you can be overwhelming. We hope this summary can help you focus on questions to ask and how you might be able to benefit from this government stimulus.

Are you single and made less than \$75,000, or married and made less than \$150,000 as of your latest tax return?

Good news—you'll receive a check from the IRS for \$1,200 or \$2,400, depending on whether you are single or married.

Do you qualify for the above stimulus payment and have children under 17?

If so, you will receive an additional \$500 per child. These payments are expected to begin mid-April, but due to the volume of work, it may take a couple of months before all qualified persons receive their check.

Are you unemployed?

The CARES Act hopes to provide additional support during this trying time by relaxing guidelines on who can receive unemployment. If you are self-employed, an independent contractor, or have a limited work history and previously not eligible for benefits, go ahead and apply for benefits, as this group is now included. For all those receiving unemployment benefits, your weekly check will be increased by \$600 for the next four months, and you will be eligible for an additional 13 weeks of Federal benefits after state benefits expire.

Are you unable to work due to medical quarantine, recovering from COVID-19, or unable to find childcare?

If so, you could be eligible for paid sick leave. The amount is determined by each individual situation and the type of company you are employed with. Please contact your Allegheny Advisor to discuss your specific needs.

Do you take a required minimum distribution (RMD) from your IRA?

If you are receiving an RMD, you do not have to worry about it for 2020, the requirement has been waived, and your money can continue to grow tax-deferred. If needed, distributions can still be taken—after all, it is your money. If you have already taken your 2020 RMD and do not need it, you have 60 days from the original distribution date to return it to a qualified account to take advantage of the waiver and avoid the additional tax.

Are you a small business owner?

Small businesses may be eligible to defer the employer's share of social security taxes for up to two years. If the small business does not lay off or furlough employees, the company could be eligible for a payroll tax credit for up to 50% of wages and compensation. Businesses forced to shut down due to a government mandate still qualify for this provision.

Does your small business have emergency cash needs?

An Economic Injury Disaster Loan program has been established to provide a grant of up to \$10,000 within three days for small businesses struggling to meet payroll expenses, supply chain costs, and mortgage or rent payments. This is a grant, so it does not need to be repaid, despite being called a “Loan” program.

Does your small business need help to stay in business and meet payroll?

The Small Business Administration is offering loans to assist in payroll, rent, utilities, and interest on your mortgage. This loan can have a maximum term of 10 years and may even be eligible to be a grant, depending on how quickly the funds are used for qualifying expenses.

Like most bills passed by Congress, the CARES Act is an extensive and lengthy document, so to say this summary doesn't scratch the surface is an understatement. Each person's situation will be unique, and we recommend that you contact your Allegheny Advisor to discuss how you or your business could benefit from this Act.

Sincerely,

Allegheny Financial Group, LTD
Allegheny Investments, LTD