

# Paycheck Protection Program

## Sample Loan and Forgiveness Calculations

### How much can an organization apply for?

- If loan is made on 4/1/2020, calculate the average monthly payroll costs between 4/1/2019 and 4/1/2020
- “Payroll costs” include vacation, parental, family, medical, and sick leave; allowances for dismissal or separation; payments for group health care benefits, including insurance premiums; and retirement benefits.

	Annual	Monthly
Monthly "Payroll Costs" (See definition above)	\$1,400,000	116,667
Less: prorated portion of annual compensation above \$100,000 for any one person		
E.g., three employees, total compensation	\$460,000	
Compensation above \$100K per individual is excluded	(160,000)	(13,333)
Less: employee compensation, employees living outside U.S.		
E.g., one employee outside US	(90,000)	(7,500)
Total eligible payroll costs	1,150,000	95,833
Multiplied by 2.5		2.50
<b>Amount of loan</b>		<b>239,583</b>

### Forgiveness Calculation

PPP loans can be forgiven to the extent that the loan proceeds have been used for the following costs incurred and payments made during the eight-week period after the loan is made:

- Payroll costs, excluding the prorated portion of any compensation above \$100,000 per year for any person
- Group healthcare benefit costs and insurance premiums
- Mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before February 15, 2020
- Certain utilities, including electricity, gas, water, transportation, and phone and Internet access for service that began before February 15, 2020

Total spent on all of these expenses		<b>250,000</b>
<b>Maximum amount eligible for forgiveness</b>		<b>239,583</b>

Forgiveness Calculation				
Period used: 8-week period starting loan origination; loan origination date – 4/01/2020				
		Forgiveness Reduced by	Forgiveness Amount	Amount to be Repaid
Scenario 1	No Layoffs between <b>2/15/2020</b> and <b>6/30/2020</b>	0%	239,583	0.00
Scenario 2	Laid off 50% of staff; did not rehire anyone	50%	119,792	119,792
Scenario 3	Laid off 50% of staff; Rehired 25%	25%	179,688	59,896
Scenario 4	Laid off 50% of staff; Rehired everyone by 6/30/2020	0%	239,583	0.00