

# COVID-19 National Emergency - Helpful Information for Businesses and Employers

**Maryland Programs:** An extensive list of information is available at: [N\(COVID-19\) Information for Businesses](#)

## **Maryland Small Business COVID-19 Emergency Relief Grant Fund**

<https://commerce.maryland.gov/fund/maryland-small-business-covid-19-emergency-relief-grant-fund>

Small Business & Nonprofits with 50 or less employees impacted by COVID-19:

- Grants up to \$10,000, not to exceed 3 months operating expenses
- Must be established prior to March 9, 2020
- Must be in good standing
- Annual revenues not to exceed \$5 million
- Business/Nonprofit is expected to seek longer term funding through its bank, SBA or other source.
- Eligible uses: Working capital to support payroll, rent, mortgage, utility, other similar expenses that occur in ordinary operations.
- Business/Nonprofit must demonstrate financial stress of disrupted operations such as
  - o Notices from tenants closing operation and not paying rent caused by loss of income
  - o Notice of inability to make loan payments due to reduced sales, suspended operations
  - o Increased cost related to COVID-19 prevention measures
  - o Notice of disrupted supply network leading to shortage of critical inventory or materials
  - o Other circumstances, reviewed on a case by case basis

## **Maryland Small Business COVID-19 Emergency Relief Loan Fund**

<https://commerce.maryland.gov/fund/maryland-small-business-covid-19-emergency-relief-loan-fund>

Small Businesses with 50 or less employees impacted by COVID-19:

- Loans up to \$50,000, not to exceed 3 months operating expenses
- 0% interest for first 12 months, 2% for remaining 36 months
  - o Deferral of any payment for the first 12 months, straight amortization beginning in the 13<sup>th</sup> month through the 36<sup>th</sup> month
- Must be established prior to March 9, 2020 and in good standing
- Two years of historical financial statements and most recent interim statement to benchmark revenue against (if available)
- 6 month pro forma (an assumption or forecast) of estimated lost revenue or other documented loss evidence
- Minimum personal credit score of 575
- No collateral requirements
- Eligible uses: Working capital to support payroll, rent, mortgage, utility, other similar expenses that occur in ordinary operations.
- Business/Nonprofit must demonstrate financial stress of disrupted operations such as
  - o Notices from tenants closing operation and not paying rent caused by loss of income
  - o Notice of inability to pay rent or make loan payments due to reduced sales, suspended operations
  - o Increased cost related to COVID-19 prevention measures
  - o Notice of disrupted supply network leading to shortage of critical inventory or materials
  - o Other circumstances, reviewed on a case by case basis

## **Maryland COVID-19 Emergency Relief Manufacturing Fund**

<https://commerce.maryland.gov/fund/maryland-covid-19-emergency-relief-manufacturing-fund>

This \$5 million incentive program helps Maryland manufacturers to produce personal protective equipment (PPE) that is urgently needed by hospitals and health-care workers across the country.

More details are expected to be announced by Friday, March 27, 2020.

## **COVID-19 Layoff Aversion Fund - Workforce Development and Adult Learning**

[https://www.dlir.state.md.us/employment/covidlafund.shtml?fbclid=IwAR0yRdTgwK9LmEGFhREYAqrPTxTCIZ7fzrn8NIm-p-6PdoVGr\\_2Ng0Z7nMY](https://www.dlir.state.md.us/employment/covidlafund.shtml?fbclid=IwAR0yRdTgwK9LmEGFhREYAqrPTxTCIZ7fzrn8NIm-p-6PdoVGr_2Ng0Z7nMY)

This Grant is designed to support businesses undergoing economic stresses due to the pandemic by preventing or minimizing the duration of unemployment resulting from layoffs by:

- Providing funds to cover the cost of purchasing remote access (ex. computers, printers, etc.) equipment to allow employees to work remotely from home versus being laid off;
- Providing funds to cover the cost of purchasing software or programs that an employee would need to use from home;
- Supporting businesses that take advantage of the [Unemployment Insurance Work Sharing Program](#) by supplementing the employee's income and benefits;
- Providing funds to cover the costs of cleaning/sanitization services so that small businesses are able to keep employees at work on site, but only if a frequent deep cleaning to prevent exposure occurred;
- Paying for liability insurance for restaurants that convert to delivery while under emergency circumstances;
- Providing funds for training or professional development opportunities for employees to avoid layoffs; and
- Adopting other creative approaches and strategies to reduce or eliminate the need for layoffs in the small business community.

Get Started Now!

- [View the One Pager](#)
- [COVID-19 Layoff Aversion Fund Policy](#)
- [COVID-19 Layoff Aversion Fund Application](#) (Excel)

## **Unemployment Insurance Work Sharing Program**

<https://www.dlir.state.md.us/employment/worksharing/>

Established in 1984 the Work Sharing Unemployment Insurance Program is a voluntary program that provides an alternative to layoffs for employers faced with a temporary, non-cyclical decline in business due to lower economic activity. The program is designed to avoid layoffs by preserving jobs for trained workers. Qualified employers, who participate in Work Sharing, are able to retain an entire employee group by reducing that group's hours of work by a percentage equal to the total reduction of hours that would have been achieved by a layoff.

- Benefits to Employers
  - o Maintain high productivity and quality because the existing trained workforce remains in place
  - o When business improves, the employer has an intact work force and has avoided time and expense of rehiring and retraining
  - o Keeps productivity and employee morale high because workers avoid the insecurity of a layoff
- Benefits to Employees
  - o Keep their jobs, avoiding emotional and financial hardships resulting from a layoff
  - o Not subject to the same conditions as those under regular Unemployment benefits
    - No active search for other work
    - No accepting offers of suitable work from other employers
    - Receive reduced, partial Unemployment benefits to supplement for lost wages due to the reduction of normal hours

Get Started Now!

- [Employers' Frequently Asked Questions-Work Sharing](#)
- [Employees' Frequently Asked Questions-Work Sharing](#)
- Please contact [ui.worksharing@maryland.gov](mailto:ui.worksharing@maryland.gov) for additional information.

## Federal Programs:

### **Families First Coronavirus Response Act**

<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus> , or <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

- Small and midsize employers, with fewer than 500 employees, can begin taking advantage of two new refundable payroll tax credits, designed to immediately and fully reimburse them, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees. Self-employed individuals receive an equivalent credit.
  - o **Sick Pay** – up to 80 hours full pay for Coronavirus related time off, up to \$511 per day, \$5,110 in the aggregate, for a total of 10 days
    - is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
    - has been advised by a health care provider to self-quarantine related to COVID-19;
    - is experiencing COVID-19 symptoms and is seeking a medical diagnosis; or
    - is caring for an immediate family member that is experiencing quarantine or illness related to COVID-19.
  - o **Childcare** – up to 10 weeks 2/3rds pay for Coronavirus related time off, up to \$200 per day or \$10,000 in the aggregate (*does not include employees that are teleworking*)
    - is caring for a child whose school or place of care is closed (or childcare provider is unavailable) for reasons related to COVID-19
    - Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.
    - Small businesses with fewer than 50 employees will be eligible for an exemption from the leave requirements relating to school closings or childcare unavailability where the requirements would jeopardize the ability of the business to continue.

### **Small Business Administration (SBA) – COVID-19 Guidance and Loan Recourses**

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

**Small business owners in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19). [Click here to apply.](#)**

- SBA Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small business to help overcome the temporary loss of revenue they are experiencing
- These loans may be used to pay fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact
  - o The interest rate is 3.75% for small businesses
  - o The interest rate is 2.75% for non-profits
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

Find more information on the SBA's Economic Injury Disaster Loans at: [SBA.gov/Disaster](https://www.sba.gov/disaster).