

We are reaching out to let you know about some changes to our Paycheck Protection Program Report, which was recently provided to your business.

At approximately 10:00 p.m. EST on April 6, 2020, the Small Business Administration (SBA) issued additional guidance for the CARES Act Paycheck Protection Program loan program. The new guidance clarified for the first time that employer-paid FICA (Social Security and Medicare) should not be included in the “payroll costs” calculation.

**If you have applied for a loan**

The SBA guidance provided a safe harbor for borrowers who applied for a loan or had a loan approved based on the prior guidance. **Borrowers who applied for a loan on or before April 6, 2020 do not need to take any action.** Note: Individual lenders may have additional requirements, and your lender may request a payroll data report that reflects the April 6th guidance. If you receive a request for an updated PPP data report, follow the steps below.

**If you have not yet applied for a loan**

Paychex is staying on top of all regulatory developments and has already begun the work to revise our Paycheck Protection Program (PPP) Data Report to implement this new guidance. The updated version of our report will be available by April 8.

In the meantime, if you want to apply for a PPP loan using the prior version of your Paychex PPP Data Report, you can simply:

- Take the Total line of the “Employer FICA Taxes” column
- Divide by the number of months (generally 12)
- Then subtract it from your “Average Total Payroll Costs” to determine your new monthly average payroll costs for the loan application.

**Coming soon**

Once the new version of the Paychex PPP Data Report is released, it will be available for all online Paychex Flex<sup>®</sup> users to download. If you use Paychex Flex, the new report will be available within the Quick Reports section of your dashboard.

We apologize for any confusion this may have caused and will have the updated reports ready as soon as possible.