

FFCRA, CARES Act, PPPFA, CRRSAA and ARPA Client Acknowledgment Form

CLIENT NAME: _____

In this document, you will find details about your potential eligibility for relevant government-aid loans and programs related to the FFCRA, the CARES Act, the PPPFA, the CRRSAA, and the ARPA and your duties as a client employer working with G&A Partners. Please review the information carefully because it contains important information related to your Client Service Agreement (CSA) with G&A Partners.

17220 Katy Freeway
Suite 350
Houston, Texas
77094
Tel 713.784.1181
Fax 713.784.2705
www.gnapartners.c

At the end of the document, you must fill out and sign the Client Acknowledgment letting us know which of the federal assistance programs you are interested in pursuing, if any. This will help us to better guide and serve you throughout the process.

We appreciate your faith in G&A Partners to help you navigate these laws and programs. We are closely monitoring the situation and will provide additional clarity as further guidance is issued.

Reminder: Please read to the end of the document to OPT IN to your preferred federal assistance program.

Families First Coronavirus Response Act (FFCRA)

In response to the FFCRA, the CRRSAA and the APRA, this document confirms the following:

- G&A Partners will set up your business as a covered employer under the FFCRA unless you instruct otherwise. If you are a business with fewer than 50 employees, and believe your business is exempt from the paid leave requirements of the FFCRA or believe you are exempt for any other reason, please notify your G&A Business Advisor immediately. After your first payroll is processed, please reach out to your designated G&A Client Advocate with questions or changes to this form.
- As a client of G&A Partners and by submitting payroll using the designated COVID-related pay codes (see below), you are certifying that specific wages are eligible for such payment and respective tax credit(s). The available pay codes specifically designated for FFCRA leave wages are as follows (applicable FFCRA wage and duration limits will apply):
 - **COVID19ERPSLEE** – sick-leave pay related to the employee specifically
 - **COVID19ERPSLFM** – sick-leave pay related to the family of the employee
 - **COVID19FMLA** – family or medical leave pay
 - If additional FFCRA codes are created by G&A, you will be immediately notified. Upon submission of future wages using the new FFCRA codes, you hereby certify that those wages are eligible for such payment and respective tax credit(s).
- The process related to the use of these FFCRA pay codes can be found on the G&A Partners Coronavirus Resources page at <https://go.gnapartners.com/covid19>
- By using these FFCRA pay codes, you may become ineligible for other federal assistance programs related to the FFCRA and/or the CARES Act or other comparable federal economic stimulus programs referenced herein.
- The FFCRA Paid Sick and Family Leave Tax Credits are expected to expire on September 30, 2021.

CARES Act, PPPFA, CRRSAA and ARPA

The Coronavirus Aid, Relief and Economic Security (CARES) Act, the Paycheck Protection Program Flexibility Act (PPPFA), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) provide unprecedented financial support for businesses and allow certain businesses to receive federal loans to cover payroll and other expenses. Due to this enacted federal legislation, we want you to be aware of the payroll and loan-assistance programs potentially available to your organization.

Payroll Assistance Programs

Option 1: Paycheck Protection Program (PPP) and/or “Second Draw Loans”

- Offers expansion of the Small Business Administration (SBA) loans to eligible employers under Section 7(a).
- Loans are 100% guaranteed by the SBA
- Loans may be forgiven as long as:
 - Loan proceeds are used to cover eligible payroll costs, mortgage interest, rent, and/or utility costs over the applicable Loan Forgiveness Covered Period after the loan is made, *and*
 - Employee and compensation levels are generally maintained
 - No more than 40% of the loan can be attributable to nonpayroll costs (if seeking 100% loan forgiveness) (*this was updated by the PPPFA*)
 - Desired payroll forgiveness costs are capped at \$100,000 of wages (annualized) for each employee, plus the cost of qualified benefits.
 - *In regard to Second Draw Loans, eligible expenses may also include covered operations expenditures, covered property damage costs, covered supplier costs and covered worker protection expenditures incurred during the covered period.*

Option 2: Employee Retention Tax Credit (ERTC)

- Small businesses may be eligible for a refundable payroll tax credit if:
 - Operations were fully or partially suspended due to a COVID-19-related shutdown order, or
 - For eligible wages paid in 2020:
 - Gross receipts declined by more than 50% when compared to the same quarter in the prior year (Did the business experience a decline in revenues of more than 50% during Q1 2020 vs. Q1 2019, or in Q2 2020 vs. Q2 2019?)
 - Credit amount available:
 - Covers 50% of qualified wages, including qualified health plan expenses, up to \$10,000 in wages per employee annually
 - Caps credit at \$5,000 per employee per quarter
 - For eligible wages paid in 2021 (set to expire on 12/31/2021)
 - Gross receipts declined by more than 20% when compared to the same quarter in the prior year -OR- in the immediately preceding calendar quarter
 - Credit amount available:
 - Covers 70% of qualified wages, including qualified health plan expenses, up to \$10,000 in wages per employee per calendar quarter
 - Caps credit at \$7,000 per employee per quarter
 - Note: From 7.1.2021 until 12.31.2021, the tax credit may only be claimed against Medicare taxes only.

IMPORTANT:

Please note if you are an eligible employer as defined by the CARES Act, the CRRSAA or the ARPA, you have a choice in which payroll assistance relief will provide your business the most positive impact. However, if you decide to pursue one program, you may be prohibited from participating in, or receiving, the full benefits available through another.

Employer restrictions on overlapping benefits under the CARES Act or subsequent federal economic stimulus programs*:

Eligibility	Option			
	PPP – Loan Requested/Received	PPP – Loan Forgiveness	ERTC – Employee Retention Tax Credit	Shuttered Venue Operators Grant*
PPP – Loan Requested/Received				Mutually exclusive programs – may not participate in both
PPP – Loan Forgiveness			Cannot be used on the same wages	
ERTC – Employee Retention Tax Credit		Cannot be used on the same wages		

*as of 3/26/2021

*Note: The SBA will begin accepting applications for the Shuttered Venue Operators Grant beginning April 8, 2021. If your business falls within the SBA definition of “shuttered venue” as one of the struggling live, in-person industries, you may qualify for the SVOG. However, entities may not pursue both the SVOG and PPP. In fact, you cannot apply for a PPP loan and SVOG at the same time and decide which one to take later. The SBA states that “entities must make an informed business decision as to which program will most benefit them and apply accordingly.”

Client Employer Responsibilities:

Compliance with the FFCRA, CARES Act and other subsequent federal economic stimulus program guidelines is required and may be subject to potential Department of Labor (DOL), Internal Revenue Service (IRS), and/or Small Business Administration (SBA) audits. Because of our strong attention to your business needs, we want you to be aware of your client employer responsibilities when requesting tax deferrals or applying for tax credits and loans available through the FFCRA, the CARES Act, the CRRSAA and the ARPA. The regulations have clearly indicated PEO and ASO client employers would assume sole liability and responsibility for payment of any deferred taxes when the client directs the PEO and/or ASO to defer tax payment with respect to wages paid by the PEO and/or ASO. As your PEO and/or ASO, we will provide you the best available guidance to support your decisionmaking; however, we do not provide legal or tax advice on matters such as these.

Please understand that we will rely on the completeness and accuracy of all information and documents that you provide to us for purposes of our processing of payroll, FFCRA leave payments

to covered employees, ERTC eligibility, and related payroll tax credits on your behalf. Failure to comply with any law, regulation or guidance relating to the FFCRA, the CARES Act, the CRRSAA or the ARPA, including related payroll tax credits, refunds or deferrals, failure to fund payments made by G&A to covered employees or repay amounts paid by G&A on your behalf—or any claims, losses or liabilities arising from your failure to comply—will fall within the indemnification obligations as set forth in the existing Client Service Agreement (CSA).

Qualified FFCRA leave payments to covered employees for EPSL or EFMLA:

When you code or designate one or more payments to a “covered employee” under qualified EPSL or EFMLA, you are instructing us, as your PEO and/or ASO, to process the payment(s) in accordance with applicable FFCRA, CRRSAA and ARPA rules, and assume responsibility for the following:

- Assuring that you have satisfied the conditions for deeming payments as qualifying FFCRA leave payments
- Any payment coded as an FFCRA leave payment
- Providing complete and accurate data and information to us for purposes of processing payroll, including the amount of leave requested and the amount of payment to the covered employee
- Complying with rules about maximum allowable EPSL or EFMLA leave entitlement
- Ensuring eligibility of the “covered employees” who are receiving EPSL or EFMLA payments
- Ensuring you are an “eligible employer” and meet the eligibility for FFCRA leave payments, which includes having fewer than 500 employees at the time the covered employees received EPSL or EFMLA
- Assuring that you will collect and maintain required and necessary records and documentation for names, dates and relevant periods to substantiate claims, including:

Required documentation	<ul style="list-style-type: none"> • Name(s) of covered employee(s) • Date(s) of each EPSL or EFMLA requested • Written statement(s) from covered employee(s) describing the authorized COVID-19 related reason(s) for requesting EPSL or EFMLA leave • Statement from covered employee(s) that they are unable to work, including by means of telework • Name of the government entity ordering quarantine or healthcare professional advising self-quarantine, in the event a leave request is based on a quarantine order or self-quarantine advice • Individual’s name and relation to the covered employee(s), in the event of a leave request based on a quarantine order or self-quarantine advice pertaining to another individual • Statement from covered employer (including name and age of the child(ren) to be cared for, name of the school or place of care), indicating that no other person will be providing care for the child during the period for which leave is requested, based on a school closing or childcare provider unavailability • Documentation of any special circumstances to provide care for a child over age 14.
Required recordkeeping	<ul style="list-style-type: none"> • Hours worked, including teleworked hours • Applicable wage rates • EPSL and EFMLA time taken • EPSL and EFMLA time available • Documentation showing who the amount of qualified health plan expenses were allocated to for FFCRA leave payments • Copies of IRS Forms 7200 (if any) – “Advance payment of employer credits due to COVID-19” – that you submitted to the IRS

Payments to covered employees of qualified wages under the CARES Act, CRRSAA and ARPA:

When you code or designate any wage payments made to “covered employees” as qualified wages, you are instructing us, as your PEO and/or ASO, to process the payment(s) in accordance with applicable CARES Act, CRRSAA and ARPA rules. This means you must comply with all applicable laws and regulations pertaining to the FFCRA, the CARES Act, the CRRSAA and the ARPA, including those issued by the IRS, DOL, SBA and HHS, and you assume responsibility for the following:

- Assuring that you have satisfied the conditions for deeming payments as “qualified wages” and qualified wage payments within the meaning of the CARES Act, CRRSAA and ARPA
- Ensuring data and information provided to G&A for the processing of any qualified wages under your payroll is complete and accurate
- Meeting eligibility under the CARES Act, CRRSAA and ARPA (Employee Retention Tax Credit) as an “eligible employer,”
- Assuring you have not, and will not code or designate an FFCRA leave payment to a covered employee as a qualified wage payment
- Acknowledging that you will not instruct us, as your PEO and/or ASO, to obtain any payroll tax credits, refunds or deferrals to which you are not qualified or eligible
- Assuring that you will be solely liable for payment of applicable employment taxes with respect to wages paid through payroll during the applicable payroll tax deferral period if you direct us, as your PEO and/or ASO, to defer payment of any applicable payroll tax deferral
- Assuring that you are solely responsible for determining what qualified health-plan expenses are allocated to the FFCRA leave payments or payments of qualified wages if you direct us, as your PEO and/or ASO, to process payroll tax credits related to “qualified health plan expenses” under the FFCRA, the CARES Act, the CRRSAA or the ARPA
- Assuring that if you obtain an SBA loan under the PPP, you will use the funds to fully and timely pay payroll and other expenses to the extent permitted by the CARES Act, the CRRSAA and the ARPA

For added support, G&A Partners will assist in preparing the IRS Form 7200, “Advance Payment of Employer Credits Due to COVID-19” on your behalf. However, you will be responsible for verifying, approving and submitting this form to the IRS to claim an advance refund for the amount of the anticipated payroll tax credit, and you will be solely responsible for payment of any taxes, interest, or penalties that may be later assessed if the IRS disallows any or all portion of the credits.

Required Client Acknowledgment

Please indicate by selecting the applicable box below to let us know which of the following programs you are interested in pursuing:

Selecting the Box(es) indicates your intention to OPT IN – ***please cross reference your eligibility***

Paycheck Protection Program (PPP) – Loan Request

Paycheck Protection Program (PPP) – Loan Forgiveness

Employee Retention Tax Credit (ERTC)

Selecting the Box below indicates your intention to OPT OUT of all assistance provided through the CARES Act, CRRSAA and ARPA.

OPT OUT of CARES Act and applicable provisions of the CRRSAA and ARPA
– (specifically PPP Loan/Forgiveness and ERTC)

Client Acknowledgment of the Terms of this Agreement:

Signature

Date

Name: _____

Client Name: _____

G&A Partners will work with you to provide the necessary data and documentation for any applications you seek to complete. If you have any questions or need our assistance in support of this or any service issue, please feel free to reach out to your G&A Business Advisor or designated G&A Client Advocate.

As we embrace this challenge together, know that we will be your partner through it all.

Sincerely,

G&A Partners