



American Rescue Plan Signed into Law

A COVID-19 Communication from Questco - March 12th, 2021

This week, Congress passed **The American Rescue Plan** which provides additional relief to individuals and businesses impacted by the COVID-19 pandemic. President Biden signed the bill on March 11, 2021.

Provisions for Business Owners

There are several provisions in this legislation specifically designed to aid small and midsize businesses in addressing financial challenges brought on by the pandemic:

- An extension of the Employee Retention Tax Credit through the 3rd and 4th quarters of 2021.
- An extension of the tax credits for voluntarily providing FFCRA paid sick and family leave for another two quarters - through September 30, 2021.
- An increase in the exclusion for employer-provided dependent care assistance for 2021 from \$5,000 to \$10,500.
- A temporary subsidy of 100 percent for COBRA qualified beneficiaries where the employee's qualifying event was an involuntary termination of employment or reduction in hours with the subsidy paid by the employer, plan, or insurer and reimbursed by the government through a refundable payroll tax credit.
- A temporary elimination of the upper income limit for eligibility for premium tax credits in the ACA exchanges - which is currently set at 400 percent of the federal poverty level for 2021 and 2022 - and an increase in the amount of the premium tax credits by decreasing the amount that an individual must contribute to the cost of coverage.
- An expansion of the eligibility guidelines for the Paycheck Protection Program to allow more nonprofit entities to be eligible.
- A direct subsidy of \$28.6 billion set aside for restaurants to be administered by the Small Business Administration, with \$5 billion of this amount set aside for restaurants with gross revenue of less than \$500,000.

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Unemployment Insurance

The American Rescue Plan extends several unemployment provisions in the CARES, Family First, and CAA bills, including:

- The waiver of interest on outstanding loans to states to pay unemployment compensation.
- 100 percent federal reimbursement of regular extended unemployment benefits.
- Additional funding for systems and to address fraud.
- An increase in federal reimbursement credits to reimbursing employer accounts.

Finally, the bill extends temporary federal unemployment benefits of \$300 a week through August 29, 2021.

In Conclusion

As we have throughout the pandemic, Questco will continue to support our clients' ability to participate in applicable financial relief programs. Please reach out to your **Client Success Manager** with requests on these programs or any other COVID-19 compliance needs. As always, our team is here to serve you!!

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