



8025 Roosevelt Boulevard
Suite 202
Philadelphia, PA 19152
215.437.7110
www.simplifipayroll.com

Notes on payroll documents:

Payroll Reports should include all periods overlapping the 24-week covered period (or 8-weeks if selected), and show figures for each of the following eligible costs:

- Cash compensation;
- Employer contributions for employee health insurance;
- Employer contributions to employee retirement plans; and
- Employer state and local taxes assessed on employee compensation.

It is preferred if the report shows separate cash compensation figures for:

- Employees who received compensation at an annualized rate \leq \$100,000 for all pay periods in 2019; and
- Employees who received compensation at an annualized rate $>$ \$100,000 for all pay periods in 2019.
[For Form 3508EZ, there is no need to separate employees by 2019 compensation level.]

If you have completed the PPP Schedule A Worksheet, we suggest you provide it when you submit your application. It can be found on [Page 4 of Form 3508](#).

This detail helps us validate the line item figures shown on the forgiveness application forms.

Cash compensation:

- Eligible [cash compensation](#) includes: gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave), and allowances for dismissal or separation. This may include bonus, hazard pay, and salaries to furloughed employees.
- Do not include compensation in excess of an annual salary of \$100,000 annualized, as prorated for the covered period. Therefore, the payroll schedule should show no employee with more than \$46,154 in compensation if selecting the 24-week period (or \$15,385 for the 8-week period, if eligible and selected).

Complete
Payroll
Management

Human
Resources
Consulting

ACA Services
Compliance

Integrated Time
& Attendance
Systems

Worker's
Compensation

Insurance
Solutions

Employment
Screening



8025 Roosevelt Boulevard
Suite 202
Philadelphia, PA 19152
215.437.7110
www.simplifipayroll.com

Notes on payroll documents:

- Do not include payments to independent contractors, or compensation to employees whose principal place of residence is outside the US; or qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act.

Compensation to owners:

- Owner-employees, self-employed individuals and partners are eligible for loan forgiveness on the basis of their 2019 compensation. The maximum amount of loan forgiveness you can claim as compensation per individual owner or partner is \$20,833 (which is 2.5 months equivalent of \$100,000 per year). Note that if you select the 8 week covered period, the maximum claim is set at \$15,385 (or 8 weeks equivalent of \$100,000).
- Self-employed Schedule C (or Schedule F) filers. If you did not submit 2019 IRS Form 1040 Schedule C (or F) when you initially applied for the PPP loan, include it with your forgiveness application.
- General Partners. If you are a partnership and did not submit 2019 IRS Form 1065 K-1s when you initially applied for the PPP loan, include it with the partnership's forgiveness application.

Note on full-time equivalency (FTE):

FTE counts both full-time (FT) and part-time (PT) employees. An FT employee is counted as 1.0 FTE, and a PT employee is counted by average number of hours per week divided by 40. For example, a PT employee working 32 hours would count as 0.8 FTE. The SBA also offers a simplified method that assigns all PT employees as 0.5, if that is preferable.

Complete
Payroll
Management

Human
Resources
Consulting

ACA Services
Compliance

Integrated Time
& Attendance
Systems

Worker's
Compensation

Insurance
Solutions

Employment
Screening