

Paycheck Protection Program

Sample Loan and Forgiveness Calculations

How much can an organization apply for?

- If loan is made on 4/1/2020, calculate the average monthly payroll costs between 4/1/2019 and 4/1/2020
- “Payroll costs” include vacation, parental, family, medical, and sick leave; allowances for dismissal or separation; payments for group health care benefits, including insurance premiums; and retirement benefits.

	Annual	Monthly
Monthly "Payroll Costs" (See definition above)	\$1,400,000	116,667
Less: prorated portion of annual compensation above \$100,000 for any one person		
E.g., three employees, total compensation	\$460,000	
Compensation above \$100K per individual is excluded	(160,000)	(13,333)
Less: employee compensation, employees living outside U.S.		
E.g., one employee outside US	(90,000)	(7,500)
Total eligible payroll costs	1,150,000	95,833
Multiplied by 2.5		2.50
Amount of loan		239,583

Forgiveness Calculation

PPP loans can be forgiven to the extent that the loan proceeds have been used for the following costs incurred and payments made during the eight-week period after the loan is made:

- Payroll costs, excluding the prorated portion of any compensation above \$100,000 per year for any person
- Group healthcare benefit costs and insurance premiums
- Mortgage interest (but not prepayments or principal payments) and rent payments on mortgages and leases in existence before February 15, 2020
- Certain utilities, including electricity, gas, water, transportation, and phone and Internet access for service that began before February 15, 2020

Total spent on all of these expenses		250,000
Maximum amount eligible for forgiveness		239,583

Forgiveness Calculation				
Period used: 8-week period starting loan origination; loan origination date – 4/01/2020				
		Forgiveness Reduced by	Forgiveness Amount	Amount to be Repaid
Scenario 1	No Layoffs between 2/15/2020 and 6/30/2020	0%	239,583	0.00
Scenario 2	Laid off 50% of staff; did not rehire anyone	50%	119,792	119,792
Scenario 3	Laid off 50% of staff; Rehired 25%	25%	179,688	59,896
Scenario 4	Laid off 50% of staff; Rehired everyone by 6/30/2020	0%	239,583	0.00