

PPP LOAN FORGIVENESS APPLICATION OWNERS COMPENSATION ADJUSTMENT

In the most recent SBA clarification, owners and shareholders of S-Corps and C-Corps have different maximum wage amounts that can be counted in Payroll Costs. Because we don't know if your business is an S-Corp or C-Corp, or who the shareholders are, you may need to make an adjustment to your Payroll Cost by lowering the wage amounts for these shareholders. For all other employees, we have applied the appropriate limits to wages based on the PPP rules.

Here are the rules for shareholders of S-Corps and C-Corps:

For companies using an 8-week Coverage Period

The amount that can apply toward the PPP forgiveness for Shareholders of an S-Corp and C-Corp is limited to 8/52 (15.385%) of their 2019 Compensation or \$15,385, whichever is the lesser of the two.

For companies using the 24-week Covered Period

The amount that can apply towards the PPP forgiveness for Shareholders of an S-Corp or C-Corp is limited to 2.50 months (20.833%) of their 2019 Compensation or \$20833, whichever is the lesser of the two.

Making the Adjustment

To verify these amounts, go to the corresponding Schedule A Table 1 or Table 2 report where the owner compensation displays. Enter your correct Coverage Period.

- If you are using an 8-week coverage period use one of the "8 Wk" reports. If you are using a 24-week coverage period use one of the "24-Wk" reports

- If the shareholder received compensation at an annualized rate of more than \$100,000 for any pay period in 2019, they will show up on the Table 2 report. Otherwise they will show up on the Table 1 Report.

1. Make sure the Cash Compensation column is not greater than the allowable amount for each shareholder. If it is, just reduce the Line 1 Payroll Costs by the amount over the allowable compensation.

Willie E Coyote, LLC
DBA: Acme Explosives
EIN: 74-2457718

Date Range: 2/1/2020 - 6/2/2020 Date Printed Ran: 06/30/2020

CompanyID	RowType	EmployeeID	LastName	FirstName	CashCompensation	AverageFTE	SalaryHourlyWageReduction	Step1A	Step1B	Step1C	StartDate	TermDate	Step2A	Step2B	Step2C	Step3A	Step3B	Step3C	LastStepCompleted
18	Employee	7648	Right	Rita	7500.00	1	961.53	16250.03	30000.00	0.54	01/01/2017		55000.00	6336.40	31250.00	22500.00	6249.97		Step3E
18	Employee	7649	Pells	Rebecca	7800.00	1	1000.00	16900.03	31200.00	0.54	01/01/2017		57200.00	6591.90	32500.00	23400.00	6499.97		Step3E
18	Employee	7652	Valdez	Donovan	10650.00	1	465.38	23075.04	34800.00	0.66	01/01/2017		63800.00	7351.10	50350.00	26100.00	3024.96		Step3E
18	Employee	7653	Dare	Kathy	9000.00	1	1153.84	19500.03	36000.00	0.54	01/01/2017		66000.00	7602.95	37500.00	27000.00	7499.97		Step3E
18	Employee	7654	Goldstein	Ivan	9300.00	1	1192.30	20150.03	37200.00	0.54	01/01/2017		68200.00	7858.45	38750.00	27900.00	7749.97		Step3E
18	Employee	7655	O'Connor	Kory	11800.00	1	497.43	25566.71	38400.00	0.67	01/01/2017		70400.00	8110.30	55800.00	28800.00	3233.29		Step3E
18	Employee	7656	Richardson	Betty	9900.00	1	1269.23	21450.03	39600.00	0.54	01/01/2017		72600.00	8365.80	41250.00	29700.00	8249.97		Step3E
18	Employee	7657	Moore	William	6800.00	1	2441.02	14733.36	40800.00	0.36	01/01/2017		74800.00	8617.65	30600.00	30600.00	15866.64		Step3E
18	Employee	7658	Moore	Sherman	7000.00	1	2512.82	15166.69	42000.00	0.36	01/01/2017		77000.00	8873.15	31500.00	31500.00	16333.31		Step3E
18	Employee	7659	Trevino	Steven	10800.00	1	1384.61	23400.04	43200.00	0.54	01/01/2017		79200.00	9125.00	45000.00	32400.00	8999.96		Step3E
18	Employee	7661	Tell	Veronica	13568.00	0.6	26537.82	29397.38	44400.00	0.66	01/01/2017		81400.00	9376.85	40086.00	33300.00	3902.62	0.85	Step3D
18	Employee	9847	Marks	Carol	7077.60	0.5	40057.30	15334.82	28300.80	0.54	06/04/2018		51884.80	5978.70	29489.60	21225.60	5890.78	0.85	Step3D
18	Employee	2333	Parks	Shirley	3480.00	0.3	0.00	7540.01	0.00	0.00	01/01/2017		0.00	0.00		0.00	-7540.01	0.00	Step3D
18	Totals				114675.60	11.4	79473.28												