



The Coronavirus Aid, Relief and Economic Security (CARES) Act: *Information on the financial resources available to support independent pharmacies during the COVID-19 crisis*

Signed into law on March 27th, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act, includes several loan and payroll tax provisions that may help small business owners, including independent pharmacies with adequate cash flow. Authorizing \$2.2 trillion in new spending, the CARES Act is intended to help individuals and businesses weather the economic downturn caused by COVID-19, as well as to provide critical resources to the healthcare system.

Several provisions relevant to small businesses and employers, including independent pharmacies, may provide sources of needed relief. Review the NCPA Member Summary [here](#); additional information* on beneficial provisions included below.

**Note: The information below is publicly available and linked to in this document as a courtesy. We will continue to update as further guidance becomes available. Please continue to check for the latest available information and be sure to speak with your financial and legal advisors for any specific questions about your business.*

PAYCHECK PROTECTION PROGRAM (PPP) LOANS

This new loan opportunity is targeted to both for-profit and nonprofit organizations with fewer than 500 total employees. It provides cash-flow assistance through 100 percent federally guaranteed loans to business owners who maintain their payroll during this emergency. If your pharmacy and current business practices qualify, the loans will be forgiven, which will help workers remain employed, as well as help affected small businesses and our economy to snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Pharmacy owners will be able to apply if they were impacted by COVID-19 between February 15, 2020 and June 30, 2020. This program is would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

Some highlights of PPP include:

- 2.5 times the pharmacy's average monthly payroll
- 1% fixed annual percentage rate
- No payments the first 6 months, total two-year repayment term
- Forgiveness up to 100%



This program is offered through all qualified SBA lenders, visit [SBA.gov](https://www.sba.gov) for more information on PPP. Additional resources below:

- [Good Neighbor Pharmacy Paycheck Protection Program FAQs](#)
- [Department of Treasury](#)–Small Business Paycheck Protection Program Overview

ECONOMIC INJURY DISASTER LOANS (EIDL)/EMERGENCY ECONOMIC INJURY GRANTS

These grants provide an emergency advance of up to \$10,000 to independent pharmacies impacted by COVID-19 within three days of applying for a Small Business Association (SBA) Economic Injury Disaster Loan (EIDL). To access the advance, you must first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, pay business obligations, including debts, rent and mortgage payments.

Some highlights of the EIDL include:

- Up to \$2 million
- Fixed 3.75% rate
- Terms up to 30 years

This program is offered directly by the SBA and has no loan fees or prepayment penalties. To apply, go directly to [SBA.gov](https://www.sba.gov) and complete the EIDL application. You can also visit the [US Chamber of Commerce](#) resource–Coronavirus Emergency Loans: Small Business Guide and Checklist.

SMALL BUSINESS DEBT RELIEF PROGRAM

This program will provide immediate relief to pharmacy owners with current non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months. To learn more visit [SBA.gov](https://www.sba.gov), and reach out to your current SBA lender.

SMALL BUSINESS TAX PROVISIONS

Tax-filing deferrals and extensions also available through the CARES Act (Section 2302). We recommend that you consult directly with your accountant for additional payroll tax deferment options but encourage you to explore. If your pharmacy is participating in the PPP loan program, eligibility is restricted on deferral options. Also, your individual states may also have deferrals available. Please work directly with your accountant to determine if you are eligible and if deferrals would be beneficial to your business. Additional information from the IRS is available [here](#).