

Q&A for Paycheck Protection Program Data Reports

Please note: If you choose to take relief under the CARES Act, you should know that some of the Paycheck Protection Program (PPP) loans provisions cannot be used in combination with the CARES Act Payroll Tax Credits or with the CARES Act Payroll Tax Deferrals (if you will be seeking loan forgiveness). A business with an SBA PPP loan will not be eligible for the employee retention tax credit.

Q: What about tax credits available under the Families First Coronavirus Response Act (FFCRA) for COVID-19-related sick leave and family leave? Can I use the PPP loan program in addition to those credits?

A: Yes, you are still eligible for a PPP loan even if you are receiving the FFCRA tax credits for COVID-19-related paid sick leave and/or expanded family and medical leave. However, you cannot use the PPP loan proceeds to pay those wages, since you will be getting those wages refunded through the tax credits.

Q: I've discussed all my options with my CPA/accountant and we feel the PPP loan of the CARES Act is the best thing for me. Where and how do I apply?

A: Here is the link to the [PPP loan application](#). The loan application must be submitted to an SBA approved lender. You may want to start with the financial institution you use for your business bank account. You can find a full list of the approved lenders on the Small Business Administration website at www.sba.gov

Q: When can I apply for the PPP loan?

A: The process opened April 3, 2020.

Q: Where do I get the *payroll* information I need for the loan application?

A: We've built a new report titled: Paycheck Protection Program Data to supply you with the payroll information you need.

However, recent guidance provided by the SBA at 10 p.m. (ET) April 6, 2020, clarified how "payroll costs" should be calculated. Employer-paid FICA (Social Security and Medicare) should not be included in the calculation. Paychex is revising the report and plans to have the updated version (indicated by 'Version 3' on the bottom line of the report) available April 8. For additional information, AICPA refers this [resource](#).

Q: What if I already applied for a loan prior to the recent guidance issued by the SBA?

A: The guidance includes a safe harbor for borrowers who applied for a loan or had a loan approved based on the prior guidance. Borrowers who applied for a loan on or before April 6, 2020 do not need to take any action.

Q: Can I use versions 1 or 2 of the report obtained prior to April 8 to apply for a loan?

A: Yes. To calculate payroll costs:

- Take the Total line of "Employer FICA Taxes" column
- Divide by the number of months (generally 12)
- Subtract it from the "Average Total Payroll Costs" to determine the new monthly average payroll costs

Paycheck Protection Program Data

Time Run: 04/07/2020 02:58:43 PM

User ID: livereportsuser

Check Dates: 01/01/2019 - 12/31/2019

Average Monthly Payroll (per PPP Loan rules)	\$201,196.79
Average Monthly Employees Paid	22

Detailed breakdown of payroll data used to calculate Average Monthly Payroll

Company ID	Company Name	Month	Employee Earnings	State/Local Taxes Assessed	Employer Benefits Costs*	Total Excess Comp deducted from loan amt potential	Number of Employees with non-US principal residences	Total Comp for Employees with non-US principal residences	Total Payroll Costs
09623332	RP NZA Client 1	Jan 2019	\$391,459.49	\$7,006.13	\$74,010.07	\$0.00	0	\$0.00	\$472,475.69
09623332	RP NZA Client 1	Feb 2019	\$342,629.85	\$1,796.38	\$27,940.81	\$78,090.00	0	\$0.00	\$294,277.04
09623332	RP NZA Client 1	Mar 2019	\$293,902.27	\$787.50	\$18,995.58	\$178,090.00	0	\$0.00	\$135,595.35
09623332	RP NZA Client 1	Apr 2019	\$1,053,959.74	\$580.13	\$70,589.53	\$630,209.00	0	\$0.00	\$494,920.40
09623332	RP NZA Client 1	May 2019	\$242,297.32	\$77.49	\$10,740.90	\$189,342.00	0	\$0.00	\$63,773.71
09623332	RP NZA Client 1	Jun 2019	\$818,716.80	\$156.90	\$48,938.60	\$544,642.58	0	\$0.00	\$323,169.72
09623332	RP NZA Client 1	Jul 2019	\$387,546.67	\$678.74	\$66,164.13	\$128,582.69	0	\$0.00	\$325,806.85
09623332	RP NZA Client 1	Aug 2019	\$292,983.66	\$872.26	\$48,808.44	\$167,978.58	0	\$0.00	\$174,685.78
09623332	RP NZA Client 1	Sep 2019	\$121,940.47	\$282.35	\$17,892.69	\$85,235.83	0	\$0.00	\$54,879.68
09623332	RP NZA Client 1	Oct 2019	\$46,389.33	\$26.15	\$7,953.00	\$34,456.10	0	\$0.00	\$19,912.38
09623332	RP NZA Client 1	Nov 2019	\$80,199.76	\$248.10	\$14,870.42	\$48,260.71	0	\$0.00	\$47,057.57
09623332	RP NZA Client 1	Dec 2019	\$42,336.62	\$50.70	\$1,325.02	\$35,905.02	0	\$0.00	\$7,807.32
09623332	Subtotal		\$4,114,361.98	\$12,562.83	\$408,229.19	\$2,120,792.51	0	\$0.00	\$2,414,361.49
	Total		\$4,114,361.98	\$12,562.83	\$408,229.19	\$2,120,792.51	0	\$0.00	\$2,414,361.49
	Average								\$201,196.79

*This column shows the part of health care and retirement contributions paid by you. It only includes amounts that were calculated when you ran payroll. You may need to include other benefits costs, too.

**Wages in this month were not processed by Paychex and are based solely on information provided by you during onboarding. Paychex has estimated when the wages were earned based on the totals you provided to Paychex during onboarding.

This report totals your gross monthly payroll data from Paychex Flex for the company ID(s) listed above. It includes up to \$100,000 earned by each employee during the date range you selected. Review and confirm that the information in this report is accurate. Please confirm with your lender their definition for "Number of Employees" and be sure to provide the count that meets their definition.

If you did not process payroll with Paychex during the entire period and did not provide prior wage detail to Paychex during onboarding for the entire reporting period, or have other employer-provided benefit costs that are not processed through Paychex you would need to gather that data to include with your application, should you desire. Your lender may also require other supporting documents to complete the application process.

Version 3: Based on guidance issued that Employer FICA wages are not included in payroll costs on 4/6/2020

Q: How do I get the report?

A: If you are a Paychex Flex® user, the new report is available within the Quick Reports section. Click on Quick Reports from your dashboard, then All Reports, select the Paycheck Protection Program Data Report, then Create Report, Select Report Options, Run Report, Select the Report, and then click Download.

Note: To get a report, you also must have run payroll with Paychex in 2019, as it reports data for that year.

Q: As a former Paychex client, can I still get help with this?

A: If you previously accessed records through Paychex Flex, you can access all 2019 payroll records until June 1, 2020. If you were not an online Paychex Flex user, please submit your [contact information](#), and our Service Specialists will be in touch.

Q: On my report, I see a lot of detail, do I need all of it for the application?

A: No, in order to complete the application, you only need 2 numbers; Average Monthly Payroll and Number of Employees. The rest is for your reference. However, your lender may request additional documentation (such as tax filings) to support your application. The Number of Employees represents the average number of employees paid during the period. Please check with your lender to determine if this is the number they require in the "Number of Employees" box on the application.

Q: Is there anything else I need for the application that you are not able to provide to me?

A: That depends. The status of Employer Paid Health Insurance varies by type of client.

Employer Paid Benefits Costs are factored into the Average Monthly Payroll calculation to the extent that the costs are tracked in Paychex Flex®. Retirement is included because retirement must be factored in payroll calculations. Employer Paid Health Benefits are only tracked in payroll if you are a PEO client with us or if you requested that we track them. They are not required for payroll calculations.

Scenario	Employer Paid Benefits Costs Status
Paychex PEO Clients	Employer Paid Health Insurance is NOT included in the Average Monthly Payroll Calculation. The only exception is for Employer Paid Health Insurance for greater than 2% shareholders. This is included because it needs to be taxed and added to the Form W-2.
Paychex Clients (non-PEO) that track their Employer Paid Health benefits with Informational Pay Components	Employer Paid Health Insurance is included in the Average Monthly Payroll Calculation.
Paychex PIA Clients+	Employer Paid Health Insurance is NOT included in the Average Monthly Payroll Calculation (unless you track the employer portion with informational pay components—then see above). If you elect, you can calculate the average monthly Employer Health Insurance costs (using the Employee Enrollment and Deduction Summary Report in the CARES Act Reporting Package available on 4/8/20) and add it to the Average Monthly Payroll Calculation found on your PPP report.
If you offer Employer Paid Health Insurance through a different provider (not Paychex)+	Employer Paid Health Insurance is NOT included in the Average Monthly Payroll Calculation (unless you track the employer portion with informational pay components—then see above). If you elect, you can calculate the average monthly Employer Health Insurance costs (you must refer to your own records for this) and add it to the Average Monthly Payroll Calculation found on your PPP report.
If you do not offer Employer Paid Health Insurance	Amounts in Employer Paid Benefits Costs column would include retirement only (if applicable)—no other action needed

*If you do not offer Employer Paid Health Insurance with Paychex, you can find the amount of Employer Paid Health Insurance on the Employee Enrollment and Deduction Summary Report available in the Paychex Flex® CARES Act report set in Paychex Flex® Quick Reports available on 4/8/20. You will need to average the monthly insurance costs and add that average to the Average Monthly Payroll costs supplied to you on the Paycheck Protection Program Data report. This total is what you use for the Average Monthly Payroll Costs box on the application.

+Does not track Employer Paid Health benefits with Informational Pay Components

Q: I'm a Paychex client, but I do not use Paychex Flex, how can I access the report?

A: Please complete [this form](#) to be put in touch with a Service Specialist who can assist.

Note: To get a report, you must have run payroll with Paychex in 2019. The reports are sufficient for what is required for the PPP loan application.

Q: I have multiple client IDs with Paychex. Do I need a report for each one?

A: If the businesses share one Federal ID, the report will have all client IDs with consolidated information at top of report.

If each business has its own Federal ID, you will need to run a separate report for each.

Q: I'm a seasonal business. What do I do?

A: If you are a Paychex Flex® user, run the report using the Seasonal dates provided by the SBA: Feb. 15, 2019 to June 30, 2019.

If you are not a Paychex Flex® user, contact your Paychex representative.

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