

# Simple Steps to Starting the PPP Loan Forgiveness Application Process

Paychex recognizes the growing number of details – from new laws and regulations to re-opening your business and returning employees to work – that you are juggling amid the COVID-19 pandemic. Finding any efficiencies that save time is a plus, especially when it comes to filling out forms.

Determining your potential loan forgiveness prior to completing an 11-page loan forgiveness application is one such task. We've developed a simpler way to help save you time within Paychex Flex®.

Our Paycheck Protection Program Loan Forgiveness Estimator allows you to quickly estimate your loan forgiveness every time you process a payroll. You can then adjust the information in the Estimator to reflect information that is not in our payroll system to fine tune your estimate. When it comes time to complete your loan forgiveness application you can use information from the Forgiveness Estimator to easily and quickly complete your loan application.

## 1. Get the Basics to Begin

- How much did you borrow?
- When did you receive the loan?

All other details within this section of the estimator are optional, such as loan number, etc. However, once you enter any information, it is saved. You can exit and it will be available when you return.

Select your covered period – either 8 weeks for loans issued prior to June 5, 2020; or the earlier of 24 weeks or Dec. 31, 2020. The covered period begins when you receive your loan.

The screenshot shows the 'Enter your loan details' section of the Paychex Flex application. It includes a 'Menu' button in the top left. The main heading is 'Enter your loan details'. Below this is the 'PPP loan information' section, which states: 'Information about your loan helps calculate your estimated total forgiveness.' There are two input fields: 'Loan Disbursement Date (when you received the loan funds)' and 'Loan Amount'.

## 2. Covered Cost Calculations

- Once covered period selected, your payroll information automatically populates from each pay period during their covered period, shows estimated and projected loan forgiveness, and is updated with each payroll run.\*
- Employer's state and local taxes and Paychex-administered benefits automatically populate.
- You need to provide non-payroll covered costs (mortgage interest, rent, utilities)

The estimator is programmed to calculate based on 60%, which is the percentage of the loan that must be used for payroll costs to gain maximum forgiveness, according to the PPP Flexibility Act. The 3-test rule is used to calculate the final forgiveness amount.

The screenshot shows the 'Payroll costs' section of the Paychex Flex application. It includes a 'Menu' button in the top left. The main heading is 'Payroll costs'. Below this is a paragraph explaining that payroll costs are the sum of compensation earned during the covered period, along with associated employer state and local taxes. It also includes a link to learn more. There are two input fields: 'Covered period date ranges' and 'Cash compensation'. The 'Cash compensation' section includes a detailed explanation of what is included (salary, vacation, leave, etc.) and a table showing 'Incurred Costs' and 'Projected Costs'.

Incurred Costs	Projected Costs
\$0.00	\$0.00

**Note:** You can override and correct any information in this section. Add any payroll costs not tracked in Paychex Flex (such as employer paid benefits and retirement contributions). We recommend you create a Forgiveness Report in Paychex Flex® and review your payroll costs. Make any adjustments to the Estimator to fine-tune the forgiveness estimate.

### 3. PPP FTE Calculations

Paychex can calculate your FTE employee figures based on the data we have. FTE calculations impact forgiveness amount, so you will have an opportunity to correct the data if you've taken measures that would change your count (e.g., calculated salaried staff)

Create and review the Forgiveness Report in Paychex Flex and make the adjustments in the Forgiveness Estimator.

If you had wage reductions that would decrease forgiveness, you would also take action in these sections to update that information.

Menu

Was there a reduction in headcount or hours?

The amount of loan forgiveness may be reduced if there are fewer Full-Time Equivalents to the FTEs during the comparison period. However, you may be exempt from certain levels no later than December 31, 2020.

To learn more, click the question mark icon at the bottom right, and search for "PPP FTE"

[View report](#)

Average FTEs per month during:

The covered period from May 1 to Oct 15

The comparison period with fewest FTEs is used

Period 1: Feb 15 to Jun 30, 2019

### 4. Downloading Data

Once you have the figures from the estimator, you can download a worksheet – **this is important because you'll need to retain that for your records** – as well as other reports (e.g., quarterly filings, employee earnings) you might be asked to provide with your application.

PPP Forgiveness Data						
Time Run: 06/10/2020 11:44:41 AM						
User ID: 00H2A10N0LKLQ604Q2K						
Period Dates: 04/06/2020 - 06/01/2020						
Company ID	Company Name	Employees Name	Employee Identifier	Cash Compensation	Employee Pay Type	Employment Status
91262271	Omicron Prime 11-12-2019 7188	Adams, Charlotte	*****3511	\$9,036.22	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Adams, Jamie	*****0004	\$8,833.82	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Adams, Ross	*****8469	\$13,412.80	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Allen, Ian	*****7863	\$4,614.80	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Bennett, Adriana	*****1856	\$7,453.10	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Borders, Ada	*****2586	\$10,068.98	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Borders, Claudette	*****0668	\$7,166.78	Salary	Full
91262271	Omicron Prime 11-12-2019 7188	Brown, Jerome	*****3348	\$12,126.02	Hourly	Full
91262271	Omicron Prime 11-12-2019 7188	Brown, Johanna	*****0372	\$8,736.06	Salary	Full

Worksheets and reports available through Paychex are key when ready to submit SBA forms.

### 5. Next Steps

The calculations from the estimator will be used to complete the Schedule A Worksheet and then Schedule A (all instructions available on the SBA form), which will be used to complete the PPP Loan Forgiveness Application to submit to the lender for review. You can also print your completed Loan Forgiveness Application form right from the application.

**PAYCHEX**  
HR | Payroll | Benefits | Insurance

[Back to Estimator](#)

Print forgiveness application [Save and print](#)

Let's double-check that you're ready.

☒ Final payroll processed

☒ Downloaded and used instructions

☒ Made any adjustments

Select your application

Standard form

PPP Loan Forgiveness Application

EZ form

PPP Loan Forgiveness Application Form 3508EZ

[Can I use the EZ form?](#)

You can generate signature-ready copies of the Small Business Administration's Loan Forgiveness Application and Loan Forgiveness Application Form 3508EZ