



## **Forgiveness Amount Reductions for PPP Loans**

The forgiveness amount is reduced if the salary or hourly wages of employees who make less than \$100,000 annually was reduced by more than 25 percent during the covered period compared to the period from January 1 to March 31, 2020.

The forgiveness amount also is reduced if the business reduces its average full-time equivalent (FTE) employees. The following may be excluded if you didn't hire a replacement:

- Employees who declined a good-faith, written rehire offer.
- Employees who were fired for cause, voluntarily resigned, or voluntarily requested and received a reduction of their hours.

The SBA has extended "safe harbor" to businesses that rehire employees by December 31, 2020. You may be exempt from the FTE reduction if these two conditions are met:

- You reduced the business' FTE levels between February 15 and March 31, 2020
- You restored the business' FTE levels by December 31, 2020, to the FTE levels in the pay period that ended February 15, 2020.