

Paycheck Protection Program - Analysis

Business Entities with Payroll	C Corp & S Corp (including Not For Profits)	Partnership	Sch C or Sch F
Used calendar year 2019 figures			
Employee A			
W2 Wages - box 5	130,000	130,000	130,000
Health Insurance - Employer portion only	10,000	10,000	10,000
Retirement Benefits (Employer match only)	5,000	5,000	5,000
Unemployment & Worker's Compensation	2,000	2,000	2,000
Total	<u>147,000</u>	<u>147,000</u>	<u>147,000</u>
Maximum Allowed (100,000 wages plus health in, retirement & tax)	117,000	117,000	117,000
Employee B			
W2 Wages - box 5	60,000	60,000	60,000
Health Insurance	10,000	10,000	10,000
Retirement Benefits	3,000	3,000	3,000
Unemployment & Worker's Compensation	1,000	1,000	1,000
Total	<u>74,000</u>	<u>74,000</u>	<u>74,000</u>
Maximum Allowed (100,000 wages plus health in, retirement & tax)	74,000	74,000	74,000
Guaranteed Wages to Partner	N/A	120,000	N/A
Maximum Allowed	N/A	100,000	N/A
Guaranteed Wages to Partner	N/A	50,000	N/A
Maximum Allowed	N/A	50,000	N/A
Self Employed Income Profit	N/A	50,000	150,000
Maximum Allowed	N/A	50,000	100,000
Total wages for purposes of PPP	191,000	391,000	291,000
Divided by 12	15,917	32,583	24,250
Multiply by 2.5 to get PPP loan amount	39,792	81,458	60,625

**The general idea is that self employed income for each partner cannot exceed the 100,000. Therefore each partner would need to make sure that both guaranteed wages and self employed profit does not exceed 100,000.*