

CARES ACT

Five Key Benefits of the CARES Act for
Individuals and Businesses



**Women
Helping To
Educate &
Enhance
Life**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) aims to help Americans cope with the unprecedented financial fallout from the COVID-19 outbreak. Congress has passed a \$2 trillion relief bill to help keep individuals and businesses afloat during these difficult times. The Coronavirus Aid, Relief, and Economic Security (CARES) Act contains five main provisions that may benefit you or your business:



RECOVERY
REBATES



EXTRA
UNEMPLOYMENT
BENEFITS.



FEDERAL STUDENT
LOAN DEFERRALS



IRA & RETIREMENT
PLAN
DISTRIBUTIONS



HELP FOR
BUSINESSES

Recovery Rebates



- Many Americans will receive a one-time cash payment of **\$1,200**. Each U.S. resident or citizen with an adjusted gross income (AGI) under \$75,000 (\$112,500 for heads of household and \$150,000 for married couples filing a joint return) who is not the dependent of another taxpayer and has a work-eligible Social Security number, may receive the full rebate.
- Parents may also receive an additional **\$500** per dependent child under the age of 17.
- Rebate payments will be based on 2019 income tax returns (2018 if no 2019 return was filed) and will be sent by the IRS via direct deposit or mail.
- The rebate is **not taxable**. Because the rebate is actually an advance on a refundable tax credit against 2020 taxes, someone who didn't qualify for the rebate based on 2018 or 2019 income might still receive a full or partial rebate when filing a 2020 tax return.

Extra Unemployment Benefits



- The federal government will provide **\$600 per week** to those who are eligible for unemployment benefits as a result of COVID-19, on top of any state unemployment benefits an individual receives.
- Unemployed individuals may qualify for this additional benefit for up to four months (**through July 31.**)
- The federal government will also fund up to an additional 13 weeks of unemployment benefits for those who have exhausted their state benefits (up to 39 weeks of benefits) through the end of 2020.
- The CARES Act also provides assistance to workers who have been affected by the COVID-19 pandemic but who normally wouldn't be eligible for unemployment benefits, including:
 - ❖ self-employed
 - ❖ individuals,
 - ❖ part-time workers,
 - ❖ freelancers,
 - ❖ independent contractors,
 - ❖ gig workers and
 - ❖ Individuals who have to leave work for coronavirus-related reasons are also potentially eligible for benefits.

Federal Student Loan Deferrals



- For all borrowers of federal student loans, payments of principal and interest will be automatically suspended for six months, through September 30, without penalty to the borrower.
- Federal student loans include

- ❖ Direct Loans (which includes PLUS Loans), as well as
- ❖ Federal Perkins Loans and
- ❖ Federal Family Education
- ❖ Loan (FFEL) Program loans held by the Department of Education.
- ❖ Private student loans are not eligible.



IRA and Retirement Plan Distributions



- Required minimum distributions from IRAs and employer-sponsored retirement plans will not apply for the 2020 calendar year.
- In addition, the 10% premature distribution penalty tax that would normally apply for distributions made prior to age 59½ (unless an exception applied) is waived for coronavirus-related retirement plan distributions of up to **\$100,000**.
- The tax obligation may be spread over **three years**, with up to three years to reinvest the money.
- Not all tax-advantaged retirement account holders can take advantage of the CARES Act's relaxed early distribution and loan provisions. Specifically, the legislation restricts relief to qualified participants with a valid COVID-19 related reason for early access to retirement funds. These include:
 - ❖ Being diagnosed with COVID-19
 - ❖ Having a spouse or dependent diagnosed with COVID-19
 - ❖ Experiencing a layoff, furlough, reduction in hours, or inability to work due to COVID-19 or lack of childcare because of COVID-19



Help for Businesses



- Self-employed individuals and small businesses with **fewer than 500 employees** may apply for a Paycheck Protection Loan through a Small Business Association (SBA) lender. Businesses may borrow up to 2.5 times their average monthly payroll costs, **up to \$10 million**.
- This loan may be forgiven if an employer continues paying employees during the eight weeks following the origination of the loan and uses the money for payroll costs (including health benefits), rent or mortgage interest, and utility costs.
- Also available are emergency grants of up **to \$10,000** (that do not need to be repaid if certain conditions are met), SBA disaster loans, and relief for business owners with existing SBA loans.
- Businesses of all sizes may qualify for a **refundable payroll tax credit of 50% of wages** paid to employees during the crisis, up to \$10,000 per employee. The credit is applied against the employer's share of Social Security payroll taxes.

How do you get the loan 100% forgiven?



1. Spend all the money on the stated loan purpose
2. Do not reduce your full time work staff
3. Do not reduce wages more than 25% for employees earning \$100,000 or less.



What if you spend the money on something else?



Federal government may pursue criminal charges!



Prepared by:

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FINANCE

Geeta Brana, Senior Vice President
Freedom Capital Management



**Women
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How to do you prioritize financial goals during these uncertain times?



CREDIT
CARD DEBT



EMERGENCY
FUND



401 (K)
PLAN



USE
50:30:20
RULE

What will happen to my 401(k) if I lose my job?



Individuals with 401(k) plans have several options when leaving an employer:

- roll the plan to an IRA at a firm of your choice
- cash out the 401(k) (not recommended)
- keep the plan as is, or consolidate the old 401(k) with a 401(k) at the new employer

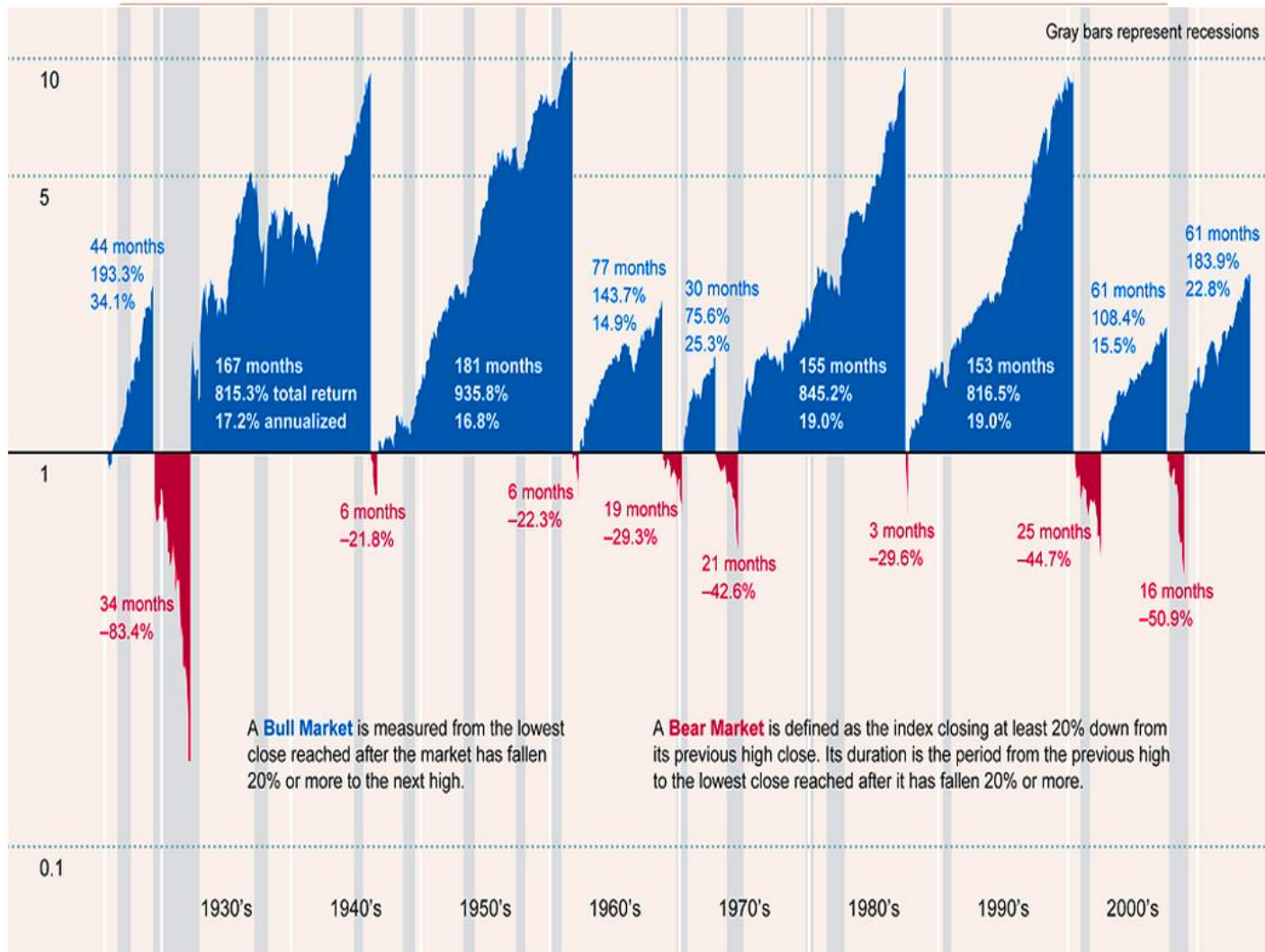
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Markets Chart of the Day



BUSINESS INSIDER

Keeping Cool: Investment Strategy vs. Reaction

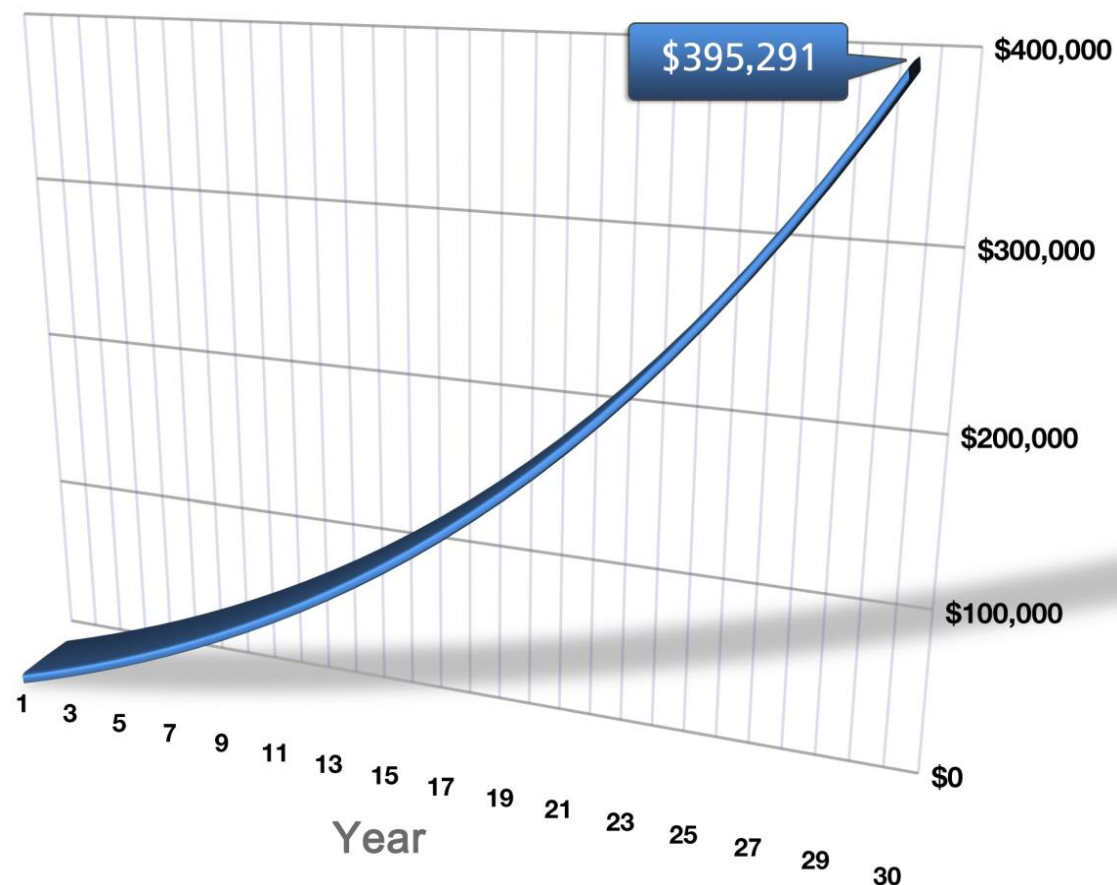
The media generates news 24 hours a day, seven days a week. You can check the market and access the news anywhere you carry a mobile device.

This barrage of information might make you feel that you should buy or sell investments in response to the latest news, whether it's a market drop or an unexpected geopolitical event.

This is a natural response, but it's not wise to react emotionally to market swings or to news that you think might affect the market.



Growth of annual \$5,000 in investments (made at the end of each year) at 6% annual return



Investing is a carefully planned & prepared approach to managing and accumulating money...

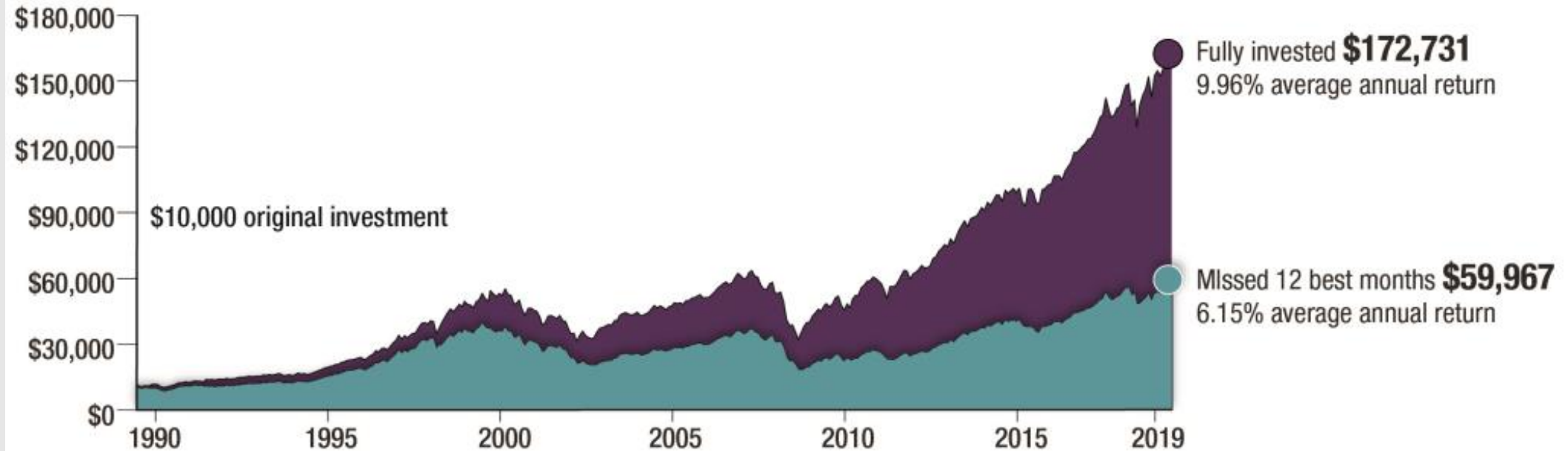
Let's say you invest \$5,000 a year for 30 years. After 30 years, you will have invested a total of \$150,000.

Yet, assuming your funds grow at exactly 6% each year, because of compounding, you will have over \$395,000 after 30 years.



Long-Term Commitment

"Time in the market" is generally more effective than trying to time the market. An investor who remained fully invested in the U.S. stock market over the past 30 years would have received almost triple the return of an investor who missed the best 12 months of market performance.



Not all markets are equal...

In the past month we have seen certain stocks hit record highs as well as the following sectors outperform with double digit growth

A select number of sectors will most likely lead us out of a COVID-19 depression



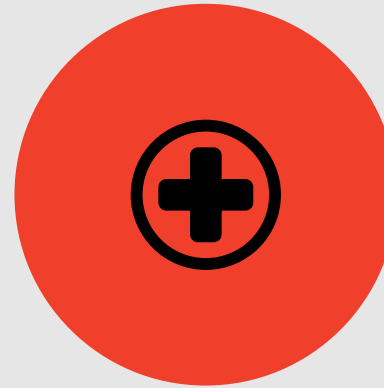
BIOTECH



INFORMATION
TECHNOLOGY



ENERGY

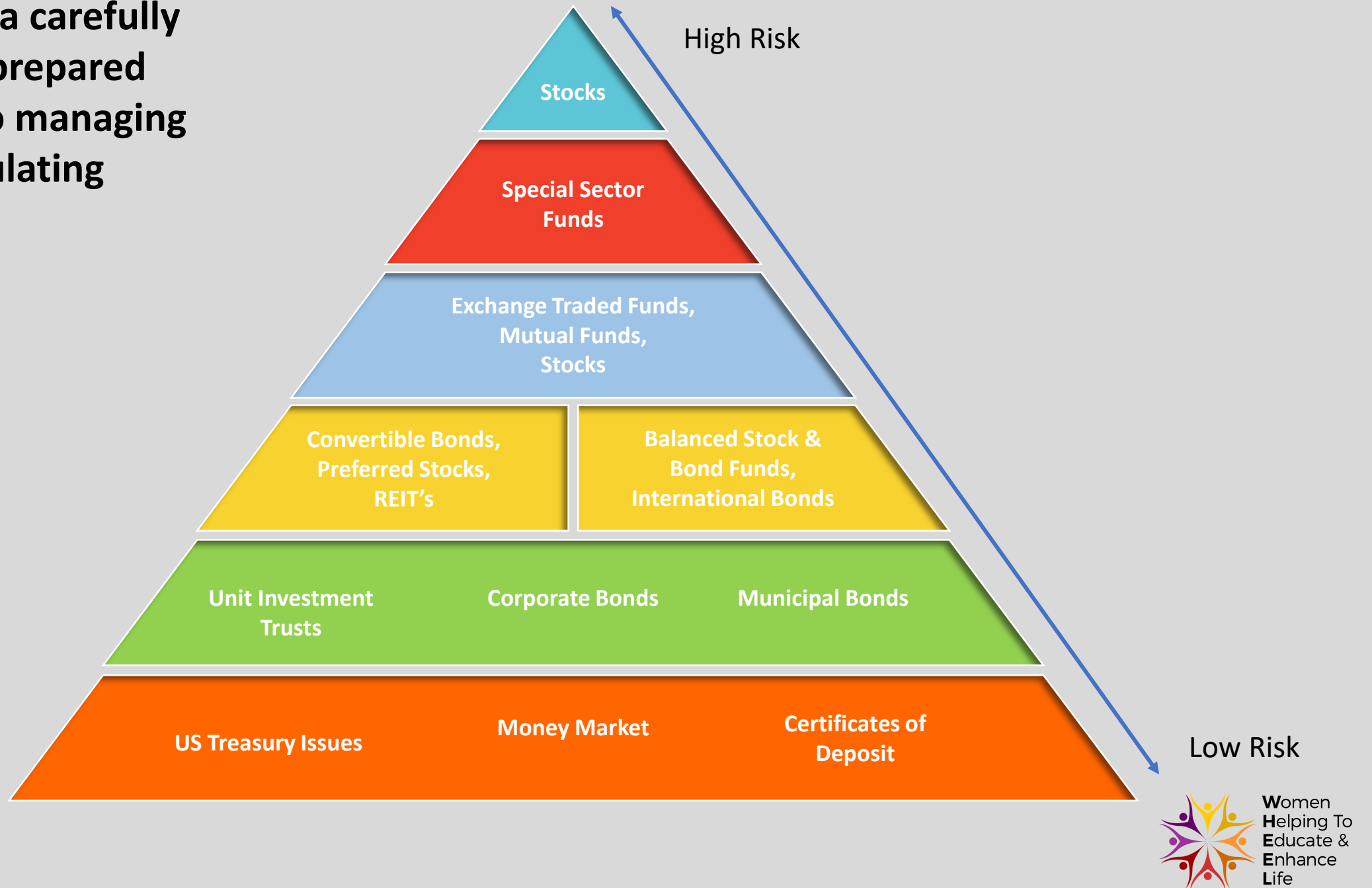


HEALTHCARE



STRONG
BALANCE SHEETS
& CASHFLOW

**Investing is a carefully
planned & prepared
approach to managing
and accumulating
money...**



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RESILIENCE

Karen Carlucci, LCSW, CPC
Psychotherapy, Coaching and Consultation



**Women
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Remaining Resilient Amid Uncertain Times

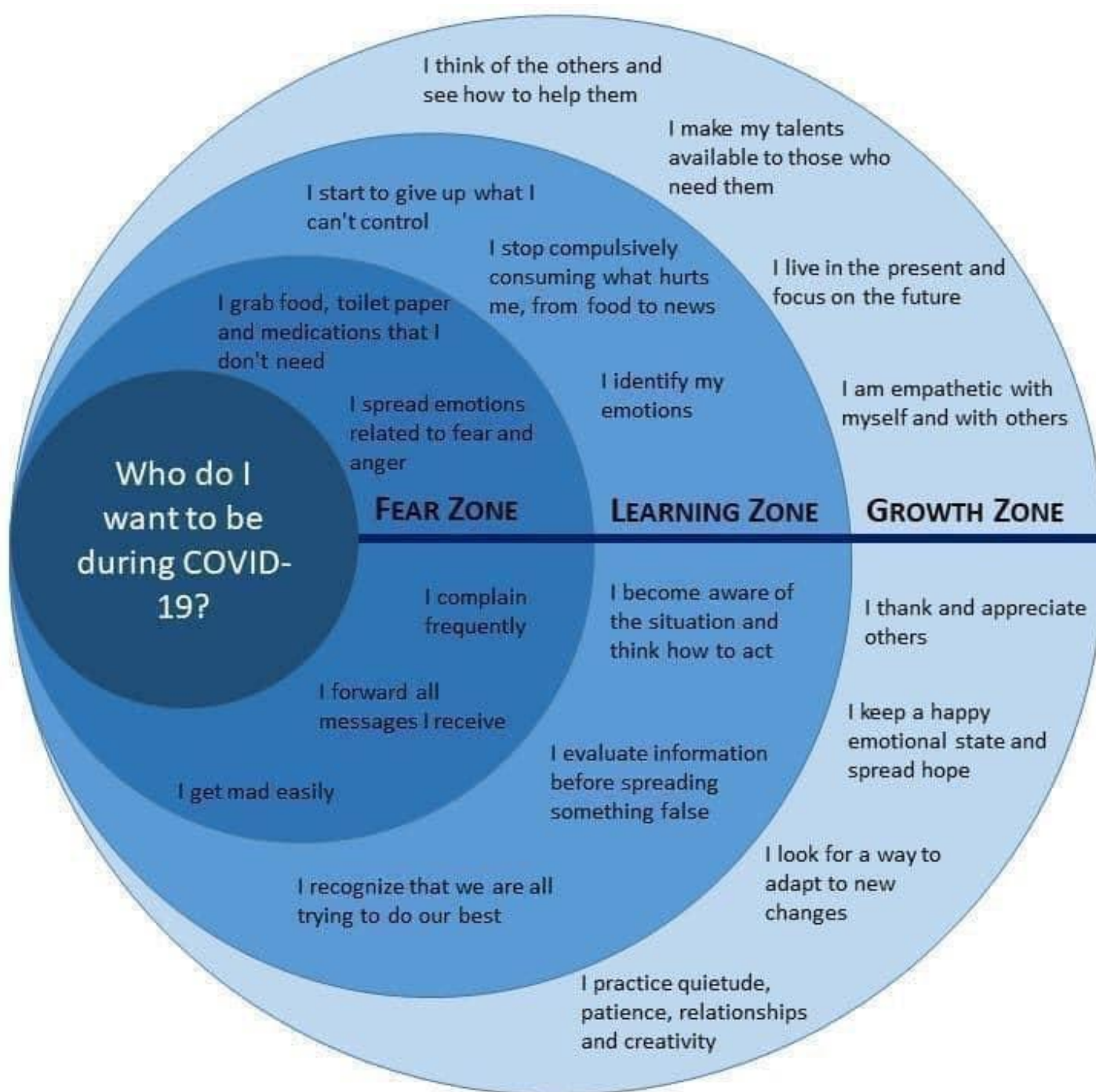
Coping to Gain Control

- Accept your feelings - they are all ok
- Adapt to the new circumstances - flexibility is key
- Remain present and grounded - focus on what you know
- Reframe your perspective - shape your experience
- Regulate information intake - monitor exposure to stimuli
- Maintain connection - nurture positive relationships
- Ask for what you need - reach out
- Assist others - take a break from yourself

Remaining Resilient Amid Uncertain Times

Rebounding to Bounce Forward

- Recall a difficult time you endured - How did you manage?
- Reactivate your tools and resources - What are your strengths?
- Envision the future you want - Where do you want to be?
- Connect with your future self - Who do you want to become?



Managing the Different Stages of COVID-19

Karen Carlucci

Licensed Therapist & Certified Coach



With a passion for helping people rediscover their resilience in life and work, Karen Carlucci draws from over 20 years of professional experience as a Licensed Psychotherapist and Certified Professional Coach, in addition to personal experience rebounding from unexpected life events. In addition to a BA in Human Resources and an MSW from New York University's School of Social Work, she holds certificates in Training and Organizational Development and Adult Psychoanalytic Psychotherapy.

She serves on the Advisory Board for Aircraft Casualty Emotional Support Services (ACCESS) and as a Student Field/Academic Advisor at Columbia University School of Social Work.

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