

HOW TO CALCULATE YOUR NEW PAYCHECK PROTECTION PROGRAM (PPP) LOAN



The Small Business Administration (SBA) has released guidance on how self-employed individuals can calculate the size of the PPP loan that they're eligible for. *Most self-employed individuals are now eligible for larger PPP loans than they were previously.* You can determine the size of your potential loan using this flowchart:

YOU HAVE EMPLOYEES

YOU DON'T HAVE EMPLOYEES

Consult IRS Form 1040, Schedule C, and find either your net profits or your gross income.

If the amount is \$0.00 or less, set it to \$0.00.

If the amount is greater than \$100,000, reduce it to \$100,000.

If the amount is \$0.00 or less, you are not eligible for a PPP loan.

If the amount is greater than \$100,000, reduce it to \$100,000.

Add the gross wages and tips of all of your employees who live in the U.S.A.

Subtract any amounts paid to an individual in excess of \$100,000.00.

Add spendings on health, life, disability, vision, and dental insurance, as well as retirement contributions, and state & local taxes.

Divide your number by 12 to get your monthly profit/income, then multiply by 2.5.

If you took an Economic Injury Disaster Loan (EIDL) between 1/31/20 and 4/3/20, add the outstanding amount - exclude advance COVID-19 loans, those don't need to be repaid.

The amount you got is the maximum PPP loan amount you can apply for. Make sure to include IRS Form 1040, Schedule C with your loan application. You must also provide proof of self-employment, as well as evidence of employees if you have any. The deadline to apply is March 31, 2021. For full information, go to: <https://nfib.com/PPPSelfEmployed>

NFIB does not provide legal, tax, or accounting advice, so please see your bookkeeper, CPA or tax professional before taking out a PPP loan.