
From: American Dental Association <ada@messaging.ada.org>
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Subject: Paycheck Protection Program Flexibility Act Passes Congress

Issues Alert

ADA®



Paycheck Protection Program Flexibility Act Passes Congress

My Fellow Dentists:

As our profession slowly embarks on the path to recovery, dentists across the country are navigating the challenges of managing a small business during the COVID-19 pandemic.

But today, I share good news that Congress passed the Paycheck Protection Program Flexibility Act. This bill will provide increased flexibility for borrowers who have received or will receive Paycheck Protection Program (PPP) loans. The ADA has advocated for this increased flexibility for PPP loans since the program was enacted. I, along with Dr. O'Loughlin, have sent letters of support for various versions of these bills as Congress was drafting the final compromise.

I am pleased to report that the final bill includes the following changes the ADA has supported or advocated for:

- Increasing the PPP loan forgiveness coverage period from 8 weeks to 24 weeks. This means dental practices can make better decisions on when to spend the money based on what is best for their businesses.
- Deferring payroll tax for PPP loan borrowers through Dec. 31, 2020. 50% of the deferred amount will be due Dec. 31, 2021, and the other 50% of the deferred amount will be due Dec. 31, 2022.
- Deferring PPP loan repayment for 10 months instead of 6 months.
- Allowing borrowers to use 40% of PPP funds to pay for non-payroll expenses as opposed to only 25% and still be eligible for full forgiveness.

- Extending the rehiring deadline to offset the effect of enhanced Unemployment Insurance beyond June 30, 2020. This accounts for those businesses who have employees making more on unemployment and are facing a harder time rehiring staff as a result.

Although the ADA advocated for providing a grant or tax credit to borrowers who received PPP funds early and followed the rules for forgiveness to the letter, and also urged Congress to allow funds to be used to purchase personal protective equipment, the final bill did not include these provisions.

The ADA will continue to advocate for these issues and other policies that support dentists, dental team members and patients both during the pandemic and beyond.

Stay well,



Chad P. Gehani, DDS
President



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