

CARES ACT 2020

A SUMMARY AND RESOURCES FOR CHURCHES



CARES ACT SUMMARY

Note from the Christian Church Foundation, Disciples Church Extension Fund, and Pension Fund of the Christian Church:

The material contained in this document is for informational purposes only and not to be construed as tax, financial, or legal advice. Before making decisions about financial matters, please consult your attorney, tax preparer or other financial advisor to find out how these programs will impact your individual or corporate situation.

For Pension Fund members only: If any differences exist between this summary and the plan documents, the plan documents will control.

Note from Church Alliance: This document briefly summarizes provisions in the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) that could possibly be of interest to church plans, ministries and plan members. This summary reflects those CARES Act provisions as they are currently understood on March 29, 2020, without any agency guidance. As guidance is issued that may be applicable, we plan to provide information to you on that guidance or to refer you to that guidance but may not be able to update the summary with that information.

Unless stated otherwise in this document, staff from DCEF, CCF, and PFCC cannot provide tax or legal advice, nor interpret these documents.

Economic Stabilization Loans

The CARES Act created a loan and loan guarantee program aimed at economic stabilization. This program will provide loans to the airlines and other named industries, but also specifies that the Treasury Department will seek to implement a program through the Federal Reserve that provides financing to banks and other lenders to make direct loans to nonprofit organizations “to the extent practicable”.

The loans under this Federal Reserve program will be available to mid-sized businesses and non-profit organizations, with between 500 and 10,000 employees. Although there is no loan forgiveness, the interest rate on these loans can be no higher than two percent and would not accrue interest or require payments for at least the first six months.

These loans will be subject to certain loan criteria and obligations, including:

- The funds received must be used to retain at least 90 percent of the recipient’s workforce, with full compensation and benefits, through September 30, 2020;
- The recipient will not abrogate existing collective bargaining agreements for the term of the loan plus an additional two years; and
- The recipient must remain neutral in any union organizing effort for the term of the loan.