



WR Newswire

A Finseca Washington Report breaking news alert

December 21, 2020

BREAKING: PPP Deductibility and Low Interest Rate Relief for Life Insurance Year End Deal

Over the weekend, Congress was able to overcome months of stalemate and agree on a 900+ billion dollars COVID stimulus package which will be included with the year-end omnibus legislation to fund the federal government. After the CARES Act, the economic relief package is the second largest in our nation's history. This package will be voted on in the House and Senate today and is expected to pass.

Among the items included in the package were extensions of unemployment insurance, direct stimulus payments for individuals, support for small businesses, and money for COVID testing and vaccinations.

The bill includes significant benefits to the financial security profession and your clients – as a result of Finseca's Advocacy work, including:

- Expenses covered by forgiven PPP funds will be deductible on 2020 tax filings;

- A second round of forgivable PPP funding will be available for businesses who can show a decline in revenue of 25% or more and employ 300 people or less;
- The bill also includes expedited forgiveness on PPP loans under \$150,000;
- Group life insurance benefits are codified as covered payroll expenses under PPP program;
- An update to Section 7702 of the internal revenue code (enacted in 1984) that will help the industry provide consumers with better permanent life insurance products given the ultra-low interest rate environment;
- Extension of payroll tax repayment for employees who deferred payroll taxes to December 31, 2021

A link to the full text can be found [here](#) and a section-by-section summary [here](#).

Finseca members will receive in-depth analysis of these developments and materials to share with clients in the coming days and weeks.

For any questions regarding the information in this Newswire, please contact Finseca's Vice President of Legislative Affairs, [Josh Caron](#).

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