

STATE AND LOCAL INCENTIVES FOR EMPLOYERS IMPACTED BY COVID-19

By: Lyndsey Bechtel, Esq.

In addition to the federal financial assistance available through the **US Small Business Administration**, employers impacted by COVID-19 should be aware of the following state and local incentives:

- 1) The **New York State Department of Labor Shared Work Program** allows employers to reduce employee hours by 20-60%, and provides unemployment insurance for up to 26 weeks for this purpose. As an alternative to lay-offs, the Shared Work Program allows employers to keep their talented and trained employees ready to work when needed. Instead of laying off employees, qualifying employers can keep their employees on and paid through unemployment insurance, despite downturns in work. It allows businesses with as little as two New York employees who worked for four consecutive calendar quarters to qualify. The **online application** is available on the **NY Department of Labor** website.
- 2) The **New York City Small Business Continuity Loan Fund** provides 0% interest loan of up to \$75,000 to businesses with fewer than 100 employees that have seen sales decrease by 25% or more. The **online application** intake is temporarily paused, however, as of April 10, 2020.
- 3) New Jersey employers can submit applications for the **New Jersey Small Business Emergency Assistance Loan Program** created by the **New Jersey Economic Development Authority** starting April 13, 2020, at 9:00 am. Qualifying small businesses and nonprofit organizations—those that have been in operation for at least one year and have less than \$5 million in annual revenue—can apply for a direct loan of up to \$100,000 upon demonstrating that they have been negatively impacted by the COVID-19 outbreak, including reduction of business hours, 20% or more decline in revenue, disruption of supply chain, or complete business closure.
- 4) The **New Jersey Department of Labor** also posted guidance charts in **English** and **Spanish** on its **COVID-19 guidance** website.
- 5) **Connecticut Governor Ned Lamont** submitted a **formal request** to the federal Small Business Administration on March 16, 2020, seeking expedited approval of loan applications submitted by businesses based in Connecticut. The request explains that Connecticut was one of the first states to be severely impacted by the pandemic.

Lyndsey Bechtel focuses her practice on defending a variety of claims, including bodily injury, malpractice, contract disputes, property damage, labor and employment related claims. Her clients include businesses, special interest groups, banks, credit unions, property owners, municipalities, manufacturers and professionals.

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