



DIRECT SELLING ASSOCIATION

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Direct Selling Association Summary of Key Provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to mitigate damage to the economy from the COVID-19 Congress. The funds and programs in the legislation could be a great help to direct selling companies and salespeople. Please find below a description of some relevant provisions of the bill for salespeople and direct selling can access.

A summary of all provisions in the bill can be found [here](#). Specific sections are cited below.

For information on accessing loans from the Small Business Administration please go here, <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Government Assistance for Salespeople

Small Business Administration Loans to Salespeople

Expands eligibility to get a 7(a) loan from the United States Small Business Administration (SBA) to independent contractors. (Section 1102)

Unemployment Benefits Available to Salespeople

Expands unemployment to those not traditionally eligible for unemployment benefits, including independent contractor direct sellers. (Section 2102)

However, the section also states that individuals who are able to telework with pay are not eligible for these benefits. The United States Department of Labor (DOL) has been given authority to interpret this legislation and provide guidance to states. DSA is engaging with DOL to more clarity on the telework provisions and determine if direct sellers could be eligible.

Individual Payments to All Americans

All U.S. residents with adjusted gross incomes up to \$75,000 (up to \$150,000 married) will be eligible for a full \$1,200 (\$2,400 married) rebate. An additional \$500 per child as well. (Section 2201)

Government Assistance for Direct Selling Companies

Economic Injury Disaster Loans

Companies with fewer than 500 employees (or individual) independent contractors can apply for an economic injury disaster loan from the SBA (Section 1102)

Rebates for Retaining Employees During Virus

The provision provides a refundable payroll tax credit for 50 percent of wages paid by employers to employees during COVID-19 crisis (Section 2301)

Department of Treasury Exchange Stabilization Fund

Eligible to companies with between 500 and 10,000 employees, loans can be accessed through the United States Department of Treasury (Section 4003).

Details on the loan will be made available on forthcoming regulations issued by the Treasury Department.

Please reach out to Brian Bennett (bbennett@dsa.org) with any questions about these provisions.