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DATE: June 17, 2020
TO: ALL SMARCA CONTRACTORS
FROM: John Quarnstrom and Jim Bigham
RE: **Contractor update**

Paycheck Protection Program Revamp

The recently passed PPP Flexibility Act provides additional time and flexibility for Paycheck Protection Program (PPP) borrowers to use their loan funds, qualify for loan forgiveness and gain additional relief from the program's original requirements. The Act does this by:

- Extending the covered period to use loan proceeds from 8 weeks to the earlier of 24 weeks or December 31, 2020.
- For loans made prior to enactment, the borrower can elect to use 8 weeks.
- Changing the ratio of loan proceeds spent on payroll and non-payroll costs from 75%/25% to 60%/40%. At least 60% must be spent on payroll costs within the 24 weeks to be eligible for any loan forgiveness.
- Allowing employers until December 31, 2020 to restore reductions in workforce or pay that would reduce the amount of loan forgiveness.
- Allowing borrowers who receive loan forgiveness to defer payment of employer's portion of FICA for the remainder of the year.
- Extending the loan repayment period from 2 years to a minimum of 5 years for loans made after enactment. For loans made before enactment, the lender and borrower can agree to extend the repayment period beyond 2 years.
- Deferring the commencement of PPP loan repayment for 6 months (until the loan is forgiven), or, for borrowers who do not receive loan forgiveness, 10 months after the end of the covered period.
- Waiving workforce reduction limitations for borrowers who can document they were unable to meet these new requirements for loan forgiveness.

We encourage you to work with your lender and accountant to take full advantage of the new flexibility.

Covid-19 Preparedness Plans - MN

Most of you have adopted a variety of COVID-19 Plans for your office, shop and field employees. Earlier this month Governor Walz issued Executive Order 20-74 which requires all businesses, including construction and other critical industries, to adopt a COVID-19 Preparedness Plan [Executive Order 20-74](#). All businesses in Minnesota must have a Preparedness Plan in place by June 29, 2020. In preparation for this deadline, you will want to review your Plans to insure they comply with all requirements. Please also feel free to consult with SMARCA Safety Director Mark Walber for assistance in drafting any needed additional Plans or supplementing current Plans to make sure they address all required aspects.

The Minnesota Commissioners of Health, Employment and Economic Development, and Labor and Industry were directed to prepare and publish additional industry guidance for Critical Businesses. New guidance directed specifically for construction businesses was published on June 15, 2020 and can be found at <https://staysafe.mn.gov/industry-guidance/construction.jsp>. A policy template is also included in this guidance. The central location for all State of Minnesota resources related to COVID-19 is posted to the Stay Safe Minnesota website <https://staysafe.mn.gov>.

Minnesota Bonding Bill

The Legislature has reconvened in a special session. A bonding bill was one of the items that was left undone when the regular session adjourned. The Legislature will likely be focused on a number of high profile issues, but it is important to remind legislators of the importance of the bonding bill so it also remains a priority. Please contact your Minnesota Senators and Representatives (for your home and work addresses) and encourage them to pass a robust bonding bill. You can find your legislators email and phone number at (<https://www.gis.leg.mn/iMaps/districts/>). Thank you.

SMARCA Social Events

Our Saint Paul Saints baseball game was cancelled because they are not playing baseball games. Our Golf Challenge is scheduled for August 17th and it appears that event will likely also be cancelled. Fox Hollow Golf Course has informed us that current restrictions would prevent our event from occurring. We will make a final decision in early July. The Fall Shoot is scheduled for September 16th. We are expecting that event to proceed with a few minor changes to accommodate social distancing.

National Association Meetings

The NRCA has modified the mid-year meetings scheduled in July in Chicago. Condensed virtual meetings will be substituted. SMACNA has made a similar decision for their Annual Convention scheduled in September in Colorado. They will be substituting a virtual education forum titled The SMACNA Edge Conference.

Fourth of July Holiday

Sheet Metal

The Fourth of July holiday is an **unpaid** holiday for **all** sheet metal employees. This year, the Fourth of July is on a Saturday and Friday, July 3rd, is the recognized holiday in all sheet metal contracts. If a sheet metal worker does not work on the recognized holiday (July 3rd), there is no holiday pay. If a sheet metal worker does perform work on Friday, July 3rd, he or she will be entitled to double time pay. If a sheet metal employee works on Saturday, July 4th, the normal Saturday pay provisions will apply.

There are a number of service work exceptions to the double time requirement:

Metro Area: Emergency service work performed under agency contracts such as HomeSmart and Home Service Plus is paid at one and one-half (1½) times the regular base rate.

Rochester-Austin-Albert Lea, Mankato, Bemidji, and Iron Range Areas: All “service work” is to be paid at one and one-half (1½) times the total taxable pay rate.

Duluth and Iron Range Areas: All residential work is to be paid and one and one-half (1½) times the total taxable pay rate.

St. Cloud, Brainerd, Grand Forks Areas: Double time pay on service work is owed for work on the actual holiday, July 4th. The actual holiday is the recognized holiday for service work.

Fargo and Bismarck-Minot: Residential “service, maintenance and emergency replacement work” is to be paid at one and one-half (1½) times the total taxable pay rate.

Roofing - All Areas:

If a roofing employee works on Friday, July 3rd, double time pay is required. If they do not work that day there is no holiday pay except under the Brainerd Roofing agreement. If a roofing employee works on Saturday, July 4th, the normal Saturday pay provisions will apply.

Brainerd Area: Brainerd Area roofing employees are entitled to a paid Fourth of July holiday if they have worked for their employer for 1,300 or more hours as a roofing employee.

Piping:

Fargo and Sioux Falls: Double time is owed for all hours worked on Saturday, July 4th. The normal contract pay provisions apply to work performed on Friday, July 3rd.

Bismarck-Minot: Friday, July 3rd, is the recognized holiday. Double time is owed on all hours worked on Friday, July 3rd. The normal contract pay provisions apply to work performed on Saturday, July 4th.