

This worksheet may assist in summarizing key data needed to determine the Paycheck Protection Program (PPP) loan amount for which you may qualify. You are required to provide documentation verifying the number of employees on payroll as well as the dollar amount of payroll costs. These tips may be useful for many applicants but not all.

**SUPPORTING DOCUMENTATION:**

Only one document is required as proof of payroll, but you may upload additional documents to support your average monthly payroll calculation. Examples of supporting payroll documentation include, but are not limited to:

- 2019 W-3
- 2019 IRS Quarterly 940, 941, or 944 payroll tax reports
- Third Party Payroll Processing Summary Documents
- Company-Prepared Payroll Summary Documents
- 2019 Company-Prepared Financial Statements
- 2019 Business Tax Return
- 2019 Personal Tax Return (if the business files as a sole proprietorship, single entity LLC)

**REMINDER:** Please do not upload a paper copy of your Paycheck Protection Program Borrower Application Form.

**FOR SEASONAL BUSINESSES**

In evaluating a borrower’s eligibility, a lender may consider whether a seasonal borrower was in operation on February 15, 2020 or for an 8-week period between February 15, 2019 and June 30, 2019.

**FOR NEW BUSINESSES**

Average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020.

**STEP 1: CALCULATING TOTAL SALARY**

Enter the compensation to employees (whose principal place of residence is the United States) in the form of annual gross salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment of state and local taxes assessed on compensation of employees. For an applicant who is an independent contractor or sole proprietor, enter wage, commissions, income, or net earnings from self-employment or similar compensation. **NOTE:** Independent Contractors do not count as employees for the purposes of the calculation.

<b>Employee</b> Whose principal place of residence is the U.S.A.	<b>Compensation</b> Annual gross salary, wages, commissions, tips	<b>PPP annual payroll costs</b> If greater than \$100,000 enter \$100,000.
Angela	\$120,000	\$100,000
Betty	\$5,000	\$5,000
Charlie	\$40,000	\$40,000
<b>TOTAL SALARY</b>		<b>\$145,000</b>

**NOTE:** If the total salary for an employee is greater than \$100,000, enter \$100,000.

For more business resources, visit [chase.com/business](https://chase.com/business) | For current PPP Loan Requirements go to [sba.gov](https://sba.gov)

**IMPORTANT NOTE:** For Informational Purposes Only: Interpretations and strategies described may not be appropriate for every applicant, and do not take the place of legal, tax or accounting advice for your situation. You should carefully consider your needs and objectives before making any decisions, and consult the appropriate professional(s). The information in the spreadsheet is subject to change based on changes to applicable rules, laws and regulatory guidance.

### STEP 2: CALCULATING TOTAL BENEFITS COMPENSATION

Add to the total amount in STEP 1: Benefits and other compensation to all employees for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health coverage, including insurance premiums; and retirement.

Benefit Amount	Amount
Payments to employees for vacation, parental, family, medical, or sick leave	\$500
Allowance for separation or dismissal	\$11,300
Employee benefits: group health coverage, insurance premiums	\$700
Retirement benefits	\$300
<b>TOTAL BENEFITS COMPENSATION</b>	<b>\$12,800</b>

### STEP 3: EXCLUSIONS

Subtract: Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including the employee’s and employer’s share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes; income taxes required to be withheld from employees; and qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act.

Exclusions	Amount
Federal employment taxes including employee and employer share of FICA and RR Retirement taxes imposed or withheld between February 15, 2020 and June 30, 2020	– \$500
Income taxes required to be withheld from employees	– \$1,000
Qualified sick and family leave wages for which a credit is allowed under Families First Coronavirus Response Act	– \$300
<b>TOTAL EXCLUSIONS</b>	<b>– \$1,800</b>

### STEP 4: CALCULATE TOTAL ANNUAL PAYROLL

Total Salary		Total Benefits Compensation		Total Exclusions		Total Annual Payroll
\$145,000	+	\$12,800	-	\$1,800	=	\$156,000

### STEP 5: CALCULATE AVERAGE MONTHLY PAYROLL

Total Annual Payroll		12 (months)		Average Monthly Payroll
\$156,000	/	12	=	\$13,000

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