

Restaurant News

May 5, 2020

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An Update on PPP Loan Forgiveness

The Treasury Department and the SBA continue to provide guidance on Paycheck Protection Program (PPP) loans through a series of <u>Frequently Asked Questions</u> (FAQ) issued from time-to-time. Early this morning, FAQ #40 was released:

40. **Question:** Will a borrower's PPP loan forgiveness amount be reduced if the borrower laid off an employee, offered to rehire the same employee, but the employee declined the offer?

Answer: No. The SBA and Treasury intend to issue an interim final rule excluding laid-off employees whom the borrower offered to rehire (for the same salary/wages and the same number of hours) from the CARES Act's loan forgiveness reduction calculation. The interim final rule will specify that, to qualify for this exception, the borrower must have made a good faith, written offer of rehire, and the employee's rejection of that offer must be documented by the borrower. Employees and employers should be aware that employees who reject proposals of re-employment may forfeit eligibility for continued unemployment compensation.

MRA heard from many restaurant operators concerning the challenges of complying with the staffing mandates of the PPP at a time when unemployment benefits are increased. In frequent communication with government officials that began on April 9, MRA and the National Restaurant Association urged the SBA and Treasury Department to fully utilize its authority under the CARES Act to prevent employers from being penalized. MRA eagerly anticipates the ruling mentioned above. The Association notes that many unanswered questions remain concerning PPP loan forgiveness, i.e., the calculation of partial forgiveness, the treatment of unused loan proceeds, and whether payroll costs are measured on a cash or accrual basis.

While the above guidance is positive, neither the MRA nor NRA view the PPP as an adequate recovery program for the restaurant industry. Sean Kennedy, NRA's Executive VP of Public Affairs, appeared on <u>Fox News Sunday</u> and emphasized that point. Look for future updates from MRA as further guidance is released.



Join a Zoom Meeting with NRA's Sean Kennedy and Mike Whatley

Wednesday, May 6 at 9:00 A.M. CDT

Don't miss an opportunity to hear from Sean Kennedy and Mike Whatley. Sean is NRA's Executive VP of Public Affairs. Mike serves as VP of State & Local Affairs, and has been an integral part of several of MRA's important legislative victories over the years.

Sean and Mike will provide inside information on PPP loans and the state of play of the next round of federal aid and stimulus. You will find the call extremely interesting.

Join Zoom Meeting

iPhone one-tap: (US Toll): +16468769923,92348777743# or +13017158592,92348777743# Meeting URL: https://restaurant.zoom.us/j/92348777743

Join by Telephone

Dial: +1 646 876 9923 (US Toll) +1 301 715 8592 (US Toll) +1 312 626 6799 (US Toll) +1 669 900 6833 (US Toll) +1 253 215 8782 (US Toll) +1 346 248 7799 (US Toll) 877 369 0926 (US Toll Free) 855 880 1246 (US Toll Free) Meeting ID: 923 4877 7743



Client Alert

OSHA Issues Guidance for Restaurants During COVID-19

On May 1, 2020, the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) issued guidance specific to the food and beverage industry addressing industry standards amid the COVID-19 pandemic. OSHA is advising restaurants (including those that are only offering take-out and curbside pickup) to adopt the following:

• Display signs on the doors or in front of their building informing customers of the services they are currently offering (ex: take-out only), their hours of operations, and instructions for placing orders;

• Reserve parking spots exclusively for "curbside pickup parking only" near the front entrance of the establishment;

- · Avoid direct hand-offs of food, money, and other items where possible;
- Encourage customers to pay ahead by phone or online;

• Practice social distancing between employees and customers by using tape to mark 6-foot distances in customer pickup lines, and temporarily moving workstations to increase space between them;

- · Build plexiglass partitions around workstations where feasible;
- Train employees on proper hygiene procedures;

 \cdot Provide places for employees wash hands and apply hand sanitizer made of at least 60% alcohol;

 \cdot Clean and disinfect surfaces often with cleaning products approved to kill the coronavirus;

- · Allow employees to wear masks or other face coverings:
- · Instruct employees to stay home when sick; and
- · Advises employees to report any health or safety concerns.

Under the General Duties clause of the Act, employers are required to protect employees from "foreseeable harm." In enforcing this provision, OSHA expects employers to comply with "industry standards," which may come from a variety of sources. By issuing their standards, OSHA has made it clear what steps they expect restaurants and bars to take to protect their employees. Accordingly, employers in the food and beverage industry should adopt any feasible recommendations provided by OSHA that they have not already implemented.

-Authored by Timothy W. Bubenik, a former attorney for the U.S. Department of Labor, currently practicing with McMahon Berger, and James, N. Foster, Jr., Partner.

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Help for restaurants from Spire Energy

A \$200 credit to qualifying locally owned businesses

A message from MRA allied partner Spire Energy:

Serving the foodservice industry

Natural gas fuels so many businesses throughout the foodservice industry - an industry that has been heavily impacted by the coronavirus pandemic. We know the value this industry adds to the communities we serve, so to help those in the foodservice industry we're promoting awareness of local businesses and focusing on charitable initiatives that feed the people in our communities.

Here's how we're helping:

- · Suspending disconnections and late fees
- · Offering a \$200 one-time credit to qualifying locally owned and operated businesses
- \cdot Committing \$500,000 in matching gifts to help those impacted by COVID-19 emergency

If you need help, simply compete the brief <u>confidential application</u> for the \$200 credit.

Because through it all, we're still your business partner. And we remain committed to safely providing the energy our communities depend on – even when times are challenging.





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