Q&A: Payroll Support to Air Carriers and Contractors  
April 3, 2020

CONFIDENTIALITY

1. Will Treasury make a public statement on Friday, April 3, 2020, acknowledging receipt of applications and naming applicants?

   From time to time, Treasury may make public statements concerning the implementation of the Payroll Support program. Treasury does not anticipate identifying specific applications at this time.

2. Will the applications be made public or will they remain confidential?

   Treasury does not intend to make applications publicly available, except as required by law. Treasury may disclose applications as necessary to fulfill obligations under the CARES Act or other applicable law, including disclosure to:

   - the Department of Transportation, to coordinate concerning the implementation of the Payroll Support program; and

   Treasury will also respond to requests for agency records as appropriate under the Freedom of Information Act (FOIA), including FOIA’s provisions related to confidential business information.

3. Will Treasury make the approved applications’ terms and conditions public?

   The CARES Act describes some of the terms and conditions applicable to the Payroll Support Program. Treasury anticipates that it may publish standard terms and conditions for this program on its website. Treasury will consider the need to protect a recipient’s confidential business information, consistent with applicable law, when deciding whether to publish additional information.

4. How may applicants endeavor to protect the confidentiality of materials they submit to Treasury?

   Applicants may mark information submitted to Treasury as containing information that the applicant believes may be excluded or exempted from public disclosure under FOIA. Treasury will determine, consistent with applicable law, whether the withholding of agency records is appropriate.
PAYROLL SUPPORT CONDITIONS AND REQUIREMENTS

5. Must an applicant use all Payroll Support funds by September 30, 2020?

Treasury understands that some recipients may wish to utilize Payroll Support to pay employee compensation after September 30, 2020. Treasury is considering whether, consistent with the Act, recipients may use such support for employee compensation purposes after September 30, 2020. Additional guidance will be provided soon.

6. May Payroll Support recipients offer employees voluntary furloughs, retirement, buyouts, or other similar voluntary separation programs?

Yes. Recipients must refrain from conducting involuntary layoffs, furloughs, or reductions in pay until September 30, 2020. Voluntary separation programs will be permitted.

TAX

7. Are payroll support payments taxable?

The Treasury Department and the IRS are considering the tax status of Payroll Support payments and intend to issue further guidance.

APPLICATION PROCEDURES

8. Can applicants file a consolidated application with wholly owned subsidiaries, or does each subsidiary need to file separately?

At this time, Treasury is not accepting consolidated applications. Each eligible air carrier or contractor must submit an application. All applicants who have not already submitted an application by email should instead apply for Payroll Support using the Treasury Department’s online application tool, which is available at https://forms.treasury.gov/caresact/PayrollSupportRequestForAirCarriers.

9. If air carriers report salaries and benefits to the Department of Transportation under 14 CFR part 241, do they need to complete the table in the application form entitled “Awardable Amounts”?

No. Air carriers that report salaries and benefits to the Department of Transportation under 14 CFR part 241 should not complete the “Awardable Amounts” table.
10. For purposes of the application, do employees include part-time employees?

Yes. Eligible applicants may receive Payroll Support under the Act equal to the compensation paid by the applicant to its employees, as determined by the Secretary of the Treasury in his sole discretion, for the six-month period between April and September 2019. Such employees include full-time, part-time, temporary, and leased employees, but do not include independent contractors or corporate officers.

11. For air carriers that report salaries and benefits to the Department of Transportation pursuant to part 241 of title 14, Code of Federal Regulations, will the amount of Payroll Support be adjusted to take into account unusual salaries and benefits between April 1, 2019 and September 30, 2019?

No. Section 4113(a)(1) of the CARES Act specifies that the awardable amount to such an air carrier shall be equal to the salaries and benefits reported to the Department of Transportation pursuant to part 241 of title 14, Code of Federal Regulations for the period from April 1, 2019, through September 30, 2019.