

**PREPARING FOR THE PSP2 APPLICATION  
for Passenger Air Carriers and Contractors**

**U.S. Department of the Treasury**

**December 29, 2020**

**This document is not an application form. Do not submit this document to the Department of the Treasury (Treasury.) Treasury is not accepting applications yet, but in the coming days, Treasury will post a web-based application form.**

This document is intended to enable potential applicants to begin preparing information that will be required to apply for the Payroll Support Program extension (PSP2) under the Consolidated Appropriations Act, 2021 (enacted December 27, 2020).

The definitions of important terms in this document appear in the Guidelines and Application Procedures for Payroll Support to Passenger Air Carriers and Contractors dated December 29, 2020 (the PSP2 Guidelines), available on Treasury's website.

PSP2 applicants should expect to provide the information listed below in their PSP2 application. Treasury encourages applicants to gather the listed information in preparation for the release of the web-based application form. The application form may also require the submission of certain information not listed here.

Affiliated entities that apply for PSP2 will be able to submit a single application through the web-based application form. Only an entity (whether in the form of a corporation, limited liability company, sole proprietorship, or otherwise) that is individually eligible for PSP2 may receive payroll support. If an application includes more than one legal entity, the application must clearly identify each included entity, and Treasury will review each entity individually to determine eligibility and verify the allowable payroll support amount.

Treasury will provide subsequent guidance regarding PSP2 application deadlines.

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## BASIC APPLICANT INFORMATION

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### Information All Applicants Must Submit:

- 1) Identifying information:
  - a) Company name, address, and contact person details
  - b) Applicant taxpayer ID number and DUNS number
  - c) SAM.gov registration confirmation
- 2) Financial institution (bank) information:
  - a) Financial institution contact information
  - b) Applicant routing transit number (ACH or Fedwire)
  - c) Applicant account number
- 3) Applicant assistance under the Payroll Support Program (PSP1) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act:
  - a) If the applicant participated in PSP1, the PSP1 Agreement Number
  - b) If the applicant applied to PSP1 on or before April 27, 2020 and was not approved, the PSP1 Application Number
- 4) Bankruptcy
  - a) Whether the applicant has taken or is currently contemplating any action to commence a bankruptcy or insolvency proceeding in any jurisdiction
  - b) If the applicant has taken action to commence a bankruptcy or insolvency proceeding in any jurisdiction:
    - i. Debtor name
    - ii. Bankruptcy court
    - iii. Case/petition number
    - iv. Date of bankruptcy filing
    - v. Type (chapter) of bankruptcy filing
- 5) Employment levels:
  - a) Applicant's average number of U.S. employees active and on payroll in 2019
  - b) Applicant's number of U.S. employees active and on payroll as of the following dates:
    - i. March 27, 2020
    - ii. October 1, 2020
    - iii. December 1, 2020
    - iv. The date of the application submission
  - c) The number of U.S. employees the applicant has involuntarily furloughed or terminated on or after March 27, 2020 (if the applicant did not receive assistance under PSP1) or October 1, 2020 (if the applicant received assistance under PSP1)

**Additional Information Passenger Air Carriers Will Be Required to Submit.** Applicants that are passenger air carriers must also submit:

- 1) The applicable Federal Aviation Regulation (FAR) under which the applicant operates (e.g., 14 CFR part 121 or 14 CFR part 135)
- 2) The applicant's Certificate of Public Convenience and Necessity, Commuter Air Carrier Authorization under 14 CFR part 298, or Air Taxi Registration under 14 CFR part 298, if available

- 3) Whether the applicant is an indirect air carrier (e.g., a Public Charter Operator under 14 CFR part 380, an Air Charter Broker under 14 CFR part 295, an Air Freight Forwarder under 14 CFR part 296, or an Air Ambulance Indirect Air Carrier under Civil Aeronautics Board Order 83-1-36)
- 4) Whether the applicant is an air carrier that exclusively provides intra-state service in Alaska

**Additional Information Contractors Will Be Required to Submit.** Applicants that are contractors will be required to submit the following information:

- 1) Which of the following eligible functions the applicant performs: catering; loading and unloading of property on aircraft; assistance for disabled passengers; security; airport ticketing and check-in; ground-handling of aircraft; aircraft cleaning, sanitation, and waste removal; or other functions that are directly related to the air transportation of persons, property, or mail
- 2) The names of all passenger carriers conducting operations under 14 CFR part 121 for which the applicant performs eligible functions under a contract or subcontract
- 3) Whether the applicant performs the identified eligible functions under contract or subcontract with a passenger air carrier conducting operations under 14 CFR part 121 on the property of an airport
- 4) Copies of contracts (and subcontracts, if applicable) with passenger air carriers conducting operations under 14 CFR part 121 for which the applicant performs the identified eligible functions

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**AWARDABLE AMOUNT DETERMINATIONS  
FOR  
FORM 41 FILERS**

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**For passenger air carriers required to submit Form 41 to the U.S. Department of Transportation (DOT):**

If the applicant participated in PSP1, the applicant must elect whether the amount of payroll support for PSP2 will be based on:

- a) the amount the applicant was approved to receive (without taking into account any pro rata reduction) under PSP1; *or*
- b) the amount of salaries and benefits reported to DOT on Form 41 for the period from October 1, 2019, to March 31, 2020.

If the applicant did NOT participate in PSP1, the amount of payroll support will be based on the amount of salaries and benefits reported to DOT on Form 41 for the period from October 1, 2019, to March 31, 2020.

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**AWARDABLE AMOUNT DETERMINATIONS  
FOR  
PASSENGER AIR CARRIERS THAT DO NOT FILE FORM 41**

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**For passenger air carriers that are NOT required to submit Form 41 to DOT:**

If the applicant participated in PSP1, the applicant must elect whether the amount of payroll support for PSP2 will be based on:

- a) the amount that the applicant was approved to receive (without taking into account any pro rata reduction) under PSP1, plus an additional 15 percent of such amount; *or*
- b) the sum of (i) the amount of total salaries and benefits that the applicant would have reported to DOT if the applicant were required to submit Form 41 during the period from April 1, 2019 through September 30, 2019; and (ii) an additional amount equal to the difference between such amount and the amount the applicant received under PSP1. *Applicants that elect this option (b) will be required to provide documentation to support the calculation of such amount. Further information on how to determine the amount under this option and the required supporting documentation will be included in subsequent program guidance.*

Applicants that participated in PSP1 may be required to demonstrate that the awardable amount for PSP1 included *only* the amount of wages, salaries, benefits, and other compensation that the applicant paid its employees. This may include demonstrating that such amounts did *not* include (a) payments to corporate officers or independent contractors or (b) employer-side payroll tax contributions. See the PSP2 Guidelines for the definitions of “employee,” “salary,” “wage,” and “benefits.”

If the applicant did NOT participate in PSP1, the amount of payroll support in PSP2 will be based on the amount of total salaries and benefits that the applicant would have reported to DOT if the applicant were required to submit Form 41 during the period from October 1, 2019 through March 31, 2020. *Further information on how to determine the amount under this option and required supporting documentation will be included in subsequent guidance.*

All applicants will be required to provide copies of completed IRS Forms 941 “Employer’s Quarterly Federal Tax Return” covering the relevant periods described above.

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**AWARDABLE AMOUNT DETERMINATIONS  
FOR  
CONTRACTORS**

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**For contractors:**

For applicants that participated in PSP1, the amount of payroll support will be based on the amount that the applicant was approved to receive (without taking into account any pro rata

reduction) under PSP1, which was based on the amount of wages, salaries, benefits, and other compensation that the applicant paid its employees during the period from April 1, 2019 through September 30, 2019.

Applicants that participated in PSP1 may be required to demonstrate that the awardable amount for PSP1 included *only* the amount of wages, salaries, benefits, and other compensation that the applicant paid its employees. This may include demonstrating that such amounts did *not* include (a) payments to corporate officers or independent contractors or (b) employer-side payroll tax contributions.

If the applicant did NOT participate in PSP1, the amount of payroll support in PSP2 will be based on the amount of wages, salaries, benefits, and other compensation that the applicant paid its employees during the period from October 1, 2019 through March 31, 2020. Officers and independent contractors are *not* considered to be employees for this purpose and may *not* be included in the awardable amount. In addition, employer-side payroll tax contributions are *not* wages, salaries, benefits, and other compensation paid to employees, and may *not* be included in the awardable amount. See the PSP2 Guidelines for the definitions of “employee,” “salary,” “wage,” and “benefits.”

All applicants will be required to provide copies of completed IRS Forms 941 “Employer’s Quarterly Federal Tax Return” covering the relevant periods described above.

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## CERTIFICATIONS

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**Applicants will be required to certify under penalty of perjury that:**

- 1) the information and certifications provided in the application and its attachments are true and correct; and**
- 2) the applicant has documentation to support the calculation of the awardable amount requested in the application.**

**WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil penalties. (18 U.S.C. §§ 287, 1001; 31 U.S.C. §§ 3729, 3802).**