The CARES Act provides emergency assistance and health care response for individuals, families and businesses affected by the coronavirus (COVID-19) pandemic, including low-interest federal disaster loans.

ADP clients can access specific reports through their ADP solution to help navigate the loan process for the Paycheck Protection Program (PPP). We’ve outlined some clarifications below on which are and aren't considered payroll costs under the PPP, as part of these reports.

**The following are considered payroll costs:**

- Employee gross pay (called “SBA Gross Pay” on the ADP payroll report)
- All employer state and local taxes paid on employee gross pay, such as state unemployment insurance and employer-paid state disability insurance (in applicable states)
- Employer health care benefits, including insurance premiums
- Retirement benefits, including defined-benefit or defined-contribution retirement plans and employer 401(k) contributions

  Employee federal income taxes withheld by the employer are not deducted from “SBA Gross Pay.”

**The following are not considered payroll costs:**

- Employee gross pay that exceeds $100,000
- The employer portion of federal employment taxes (i.e., Social Security and Medicare)
- Payments to independent contractors
- Workers compensation premiums
- Federal unemployment tax
- Compensation of employees whose principal place of residence is outside of the U.S.
- Qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act