



# Small Business Roundtable

July 30, 2020

## AGENDA – VIRTUAL MEETING VIA ZOOM

Next Meeting: Thursday, October 22, 2020

**8:00 am Welcome & Introductions**  
Shane Beard, Chair

### PRESENTATION ITEMS:

**8:05 am [San Diego County Small Business Stimulus Grant](#)**  
Giang Meyers, County of San Diego

**8:20 am [PPP Loan Forgiveness, Main Street Lending Program & More](#)**  
Daniel Fitzgerald, San Diego & Imperial Small Business Development Center ([SBDC](#))

**8:35 am [Temporary Outdoor Business Operation Permit Program](#)**  
Elyse Lowe, City of San Diego Development Services Department

**8:50 am [CalSavers Retirement Program](#)**  
Carlee Chatman, United Way  
Jonathan Herrera, California State Treasurer's Office

### DISCUSSION ITEMS:

**9:05 am [Virtual Chamber: Discussion & Feedback](#)**  
Chamber Staff

**9:20 am [Back in Business: Long-Term Coronavirus Response & Recovery Needs](#)**  
Chamber Staff

### ADMINISTRATIVE ITEMS:

**9:25 am [Staff Updates/Announcements](#)**  
State Legislative Session - Small Business Bills  
[Back in Business Feedback Session with Deloitte](#) – August 6 @ 9am

**9:30 am [Adjournment](#)**

## ZOOM MEETING DETAILS

<https://us02web.zoom.us/j/83992468124?pwd=ajhKRHRWa1h5eUhGY1dMUVErWG85dz09>

Meeting ID: 839 9246 8124

Password: 054237

## SMALL BUSINESS ROUNDTABLE SUB-COMMITTEE FOCUS

To strongly advocate for a regional business climate that is deliberately supportive and empowering of small businesses.

## PUBLIC POLICY COMMITTEE FOCUS

The Chamber Public Policy Committee focuses on law, policy and regulation that intersect each policy subcommittee's interests in support of the business community to improve the economic climate of the San Diego region.



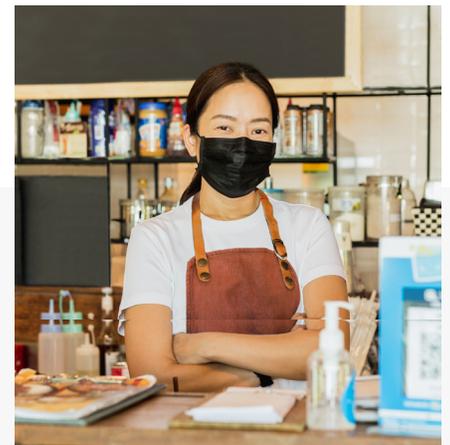
# County Relief Program for Small Businesses & Restaurants

## THE SMALL BUSINESS STIMULUS GRANT PROGRAM

offers financial relief to eligible businesses suffering economic losses due to COVID-19. It's designed to help for-profit and nonprofit businesses.

### TO QUALIFY, YOUR BUSINESS MUST HAVE:

- 100 or fewer employees
- Headquarters in San Diego County
- A minimum 1-year operating history as of Feb. 14, 2020
- Documentation of financial hardship due to COVID-19



Applications for financial relief are **available now through Oct. 16** - subject to available funding.



Eligible businesses are encouraged to apply early!



For more information, visit the stimulus grant website.

Main Street Lending Program:

<https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>

Purpose: Small/Medium sized established businesses that were in very good standing prior to the pandemic but now are struggling due to industry or other Covid related slowdown in sales.

- No startups
- Strong cashflow in 2019 and prior unless easily explained and one time
- Low Leverage (minimal existing debt)
- High Liquidity (Business and Personal)
- Business collateral
  - A/R
  - Inventory
  - Commercial Real Estate
  - Equipment
  - Other Fixed Assets (Computer, desks, tenant improvements)

Min Loan Size: \$250K

Rate: Libor + 3.0% (variable) ~ approximately 3.25% as of today

Term: 5 years

Payments:

- Year 1 – No payments
- Year 2 – Monthly interest only payments
- Year 3 – Monthly interest only payments, plus 15% principal paydown on Dec 31
- Year 4 – Monthly interest only payments, plus 15% principal paydown on Dec 31
- Year 5 – Interest only payments, plus 70% principal paydown on Dec 31

Prepayment Penalty: No

Fees: 1% Lender fee + SPV participation fee up to 1%

Security Interest/Collateral: 1<sup>st</sup> position UCC filing

Underwriting/Approval: Originating bank's internal credit policy

## What is CalSavers?

CalSavers is California's new retirement savings program for workers in the private sector who do not currently have a way to save at work. It's simple and completely voluntary for employees.

- Funded by employee savings (no employer fees or contributions)
- Employee participation is completely voluntary and they can opt in or out at any time
- Administered by a private-sector financial services firm and overseen by a public board chaired by the State Treasurer

## Limited employer role

- Add employees to CalSavers
- Submit participating employee contributions to CalSavers via simple payroll deduction
- There are no fees for employers to facilitate the program and employers are not fiduciaries of the program



## Meeting the CalSavers registration requirement

CalSavers applies to employers with five or more employees who do not offer a retirement savings plan. The three-year phased rollout includes staggered deadlines for registration based on employer size. **All eligible employers can join at any time prior to their registration deadline.**



\*The California Secure Choice Retirement Savings Investment Board approved this deadline extension April 15, 2020. The extension will formally take effect when the official rulemaking is completed and the regulatory change is approved by the Office of Administrative Law, expected in May 2020.



For more information

 [employer.calsavers.com](http://employer.calsavers.com)

 [clientservices@calsavers.com](mailto:clientservices@calsavers.com)

 (855) 650-6916

 Mon - Fri 8:00 a.m. - 8:00 p.m. PT

Follow us

 @CalSavers

 CalSavers

# A retirement savings program employees can trust

CalSavers is a simple, low-cost way for employees to save for retirement. Here's how:

- Employees save through payroll contributions
- Employee keeps their account even if they change jobs
- Easy, automated enrollment
- Roth Individual Retirement Account (IRA)



## Flexible employee participation and investment choice

- Standard investment options and savings rate of 5%
- Flexibility to choose savings rate<sup>1</sup> and investments
- Choose to opt in or out of CalSavers at any time<sup>2</sup>



## Cost to employee

- Approximately \$0.83 - \$0.95 per year for every \$100 in the employee's account depending on the employee's investment choice
- Pays for:
  - Administration of the program
  - Underlying fund expenses
  - This asset-based fee is automatically taken out of the account balance on a regular basis



## Investment menu

CalSavers offers a simple menu of investment options, from conservative investment options that seek to protect the principal to aggressive investments seeking higher returns. When employees invest in CalSavers, they get access to high quality mutual funds and other investment options, the value of which will vary with market conditions. Selections include:

- Money Market Fund<sup>3</sup>
- Target Retirement Date Funds<sup>3</sup>
- Bond Fund
- Global Equity Fund
- Environmentally and Socially Conscious Fund

Employees can access the full list of investment options at [saver.calsavers.com](http://saver.calsavers.com).

<sup>1</sup> Contributions may be made up to the the federal contribution limits set for a Roth IRA.

<sup>2</sup> By opting out, employee can leave any remaining balance in the account, transfer or roll it over to another Roth IRA, or request a distribution. Requesting a distribution may result in taxes and penalties.

<sup>3</sup> The first \$1,000 contribution will go into the Money Market Fund. Contributions after the first \$1,000 will be put into a Target Retirement Date Fund.

*The CalSavers Retirement Savings Program ("CalSavers" or the "Program") is an automatic enrollment payroll deduction IRA overseen by the California Secure Choice Retirement Savings Investment Board ("Board"). Ascensus College Savings Recordkeeping Services, LLC ("ACSR") is the program administrator. ACSR and its affiliates are responsible for day-to-day program operations. Participants saving through CalSavers beneficially own and have control over their IRAs, as provided in the Program Disclosure Booklet available at [saver.calsavers.com](http://saver.calsavers.com). CalSavers is not sponsored by the employer, and therefore the employer is not responsible for the Program or liable as a Program sponsor. Employers are not permitted to endorse the Program or encourage or advise employees on whether to participate, how much (if any) to contribute or provide investment help.*

*CalSavers offers investment options selected by the Board. For more information on CalSavers' investment options go to [saver.calsavers.com](http://saver.calsavers.com). Account balances in CalSavers will vary with market conditions. Investments in CalSavers are not guaranteed or insured by the Board, the State of California, the Federal Deposit Insurance Corporation, or any other organization.*

*CalSavers is a completely voluntary retirement program. Savers may opt out at any time or reduce or increase the amount of payroll contributions. If a saver opts out they can later opt back into CalSavers. In addition, California law requires that CalSavers conduct an Open Enrollment Period once every two years during which eligible employees that previously opted out of the Program shall be re-invited to participate under automatic enrollment and must opt out again if they still do not wish to participate in the Program.*

*Saving through an IRA may not be appropriate for all individuals. Employer facilitation of CalSavers should not be considered an endorsement or recommendation by a participating employer, IRAs, or the investment options offered through CalSavers. IRAs are not exclusive to CalSavers and can be obtained outside of the Program and contributed to outside of payroll deduction. Contributing to a CalSavers IRA through payroll deduction may offer some tax benefits and consequences. However, not everyone is eligible to contribute to a Roth IRA and savers should consult a tax or financial advisor if they have questions related to taxes or investments. Employers do not provide financial advice and employees should not contact an employer for financial advice. Employers should refer all questions about the Program to CalSavers. Employers are not liable for decisions employees make pursuant to Section 100034 of the California Government Code.*

## 2020 California Assembly and Senate Small Business Bills

### **AB 1850** (Gonzalez) – Worker classification: employees and independent contractors

AB 1850 clarifies many exemptions to the ABC test in AB5, which went into effect January 1, 2020. Among the exemptions, it clarifies the business-to-business exemption by allowing individuals contacting in business-to-business relationships to also be exempt (previously only businesses entities were exempt).

### **AB 1035** (Ramos, Mayes) – COVID-19 emergency: small businesses: immunity from civil liability

This bill would exempt a small business with 25 or fewer employees from liability for a an injury or illness to a person due to COVID-19 based on a claim that the person contracted COVID while at a small business or due to the actions of the small business. The bill would require the small business to have implemented and abide by all applicable state and local health laws, regulations, and protocols in order to for this exemption to apply.

### **SB 1159** (Hill) – Workers' compensation: COVID-19: critical workers

This bill would define “injury” as it relates to workers’ compensations for police officers, firefighters, and other government employees to include illness resulting from COVID-19 that develops or manifests within 14 days of that employee performed work at their place of employment. The bill would require an employee to use their paid sick leave benefits, among other requirements, prior to receiving disability benefits.

### **AB 196** (Gonzalez) – Workers' compensation: COVID-19: essential occupations and industries

This bill would define “injury” as it relates to workers’ compensation for certain employees who are deemed essential to include illness resulting from COVID-19 during a period of employment. The bill would apply to injuries occurring on or after March 1, 2020, and would create a conclusive presumption that contracting COVID-19 by all essential workers is a workplace injury. The bill would also extend that presumption following termination of service for a period of 90 days, commencing with the last date actually worked.

### **SB 1383** (Jackson) – Unlawful employment practice: family leave

Currently, the California Family Rights Act requires employers of 50 or more employees to grant their employees with 12 weeks of protected leave during a 12-month period. This bill revises the law to require employers of five or more employees to guarantee 12 weeks of protected leave to their employees.