



PPP Loan Forgiveness Payroll Report

Detailed Methodology

Summary Column:

- **Total payroll forgiveness amount** = Total gross pay with \$100k cap + Total employer retirement contribution + Total employer health insurance contribution + Total employer state and local taxes - Total FFCRA earnings

Base Columns:

- Employee count: Number of employees reflected in payroll report
- Total gross pay: Employee compensation in the United States, which includes cash tips, paid leave, paid severance, employee portion of health insurance and retirement, and employee portion of all federal, state, and local taxes
- Total gross pay with \$100k cap: Total gross pay subject to a \$100,000 annualized cap, which means that no more than \$46,154 in gross pay (24 weeks of pay at an \$100,000 annualized rate) or \$15,385 in gross pay (8 weeks of pay at an \$100,000 annualized rate) will be counted for any single employee, depending on time period selections.
- Total FFCRA earnings: FFCRA-related sick leave and family leave payments
- Total employer retirement contribution: Contributions to 401(k) plans
- Total employer health insurance contribution: Contributions to medical, vision, dental, and health FSA
- Total employer state and local taxes: All state and local taxes paid by the employer

Notes and Disclaimers:

- Calculation Methodology: Rippling follows the methodology outlined in “Calculating Eligible Payroll Costs” available at <https://www.rippling.com/blog/covid-19/ppp-loan-forgiveness-in-plain-english/>, except that the Rippling report will only include payroll costs “incurred but not paid” during the selected time period, once those payroll costs have been paid. In such cases, Rippling will prorate payroll costs incurred during the covered period but paid during the next pay run after the covered period.
- Time Period: Rippling’s report calculates data for both the 8 week (56 day) and the 24 week (168 day) period beginning from the date selected. In the event that the selected date is less than 56 or 168 days prior to today’s current date, the report period will be less than selected length, and will reflect the payroll amounts through today’s date.
- Alternate Methodologies: If you have been advised to use a different methodology, or have additional payroll costs or exclusions to include, please export and manually update the report to suit your needs.



- Annualized Caps: Please note that we only consider compensation within Rippling’s payroll system for the applicable time period and apply the annualized \$100,000 cap on that time period. We recognize that some companies may want to apply the cap on a monthly, quarterly, per pay period or otherwise pro-rated basis for employees not employed during the full period. We also recognize that some companies may want to include additional compensation covering but paid outside the applicable time period (e.g. bonuses). If this applies to you, you will need to manually adjust those calculations.
- Disclaimers: This report is provided by Rippling upon interpretation of the regulations as of June 5, 2020, but you are responsible for ensuring the accuracy of this payroll report. Your judgment and interpretations of the regulations may be necessary, as additional clarification from the Treasury and SBA is still needed with respect to certain areas of the regulations. In addition, we are unable to help you calculate your payroll forgiveness amount if we do not have your payroll records for the entire applicable time period.

We recommend that you include a copy of this “Detailed Methodology” with your application.

Last updated: September 5, 2020