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***The Association of  
Independent Funeral Homes  
of Virginia***

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**Executive Director**  
B. Bennett Keeney Jr. "Bo"



Dear Associates,

I hope this letter finds you and yours in good health. I was looking at the fall letter we shared and at that time we were hoping to be in Phase 4. Wow, how things have changed, and in some cases haven't changed. It seems that we spend a lot of our time doing things that are associated with Covid-19. Hopefully, some of the problems you faced with having plenty of PPE and other equipment have been resolved.

There are a lot of things going on in the association that has nothing to do with Covid-19. Your Association has been hard at work following several bills. They have followed these bills from start to finish being sure that your opinion as an independent owner or manager is heard. Two bills that have been closely watched are the "hierarchy" bill and the "manager of record" bill. At this point things are still in committee, but it appears the "hierarchy" bill will pass the House. This bill is in the Senate where we hope it will die.

I would encourage you to visit the IHFV website and see everything that is going on now or will be in the near future. In March there will be an opportunity to get your CEU's.

One question that is on the minds of your Board of Directors is if you want to have an "in person" convention this August or do we need to postpone it another year due to concerns with social distancing? At this time the membership is split 50/50. In order to have the convention in person we will need to have a near 70% participation to make it work. We really would appreciate your input in this decision.

As we continue to face challenges both due to the pandemic and changes in our political administration it is my hope that we as an Association will continue to confront these challenges with professionalism. And as always, we can say that we have truly helped those families that have come to us in their time of need.

Sincerely,



## IFHV 1-Day CE Conference

### IFHV March 2021 1 Day Conference has gone Virtual

As a result of ongoing concerns with COVID-19, the IFHV Board of Directors has decided to offer the 2021 1 Day CE conference as a virtual conference. Mark your calendars and save the date: March 15-19<sup>th</sup>. We'll offer 1 hour of CE each morning from 8:30 am – 9:30 am via zoom.

#### Monday March 15, 2021 @ 8:30 am

- Speaking of Suicide: How to Talk to Families Who've Suffered a Loss by Suicide by Anne Moss Rogers
- 1 Hour of CE Credit
- [Click here to pay and receive registration link - \\$25 for members, \\$35 for non-members](#)

#### Tuesday March 16, 2021 @ 8:30 am

- Laws and Regulations – A Timely Update by Corie Tillman Wolf, Executive Director of the Virginia Board of Funeral Director and Embalmers
- 1 Hour of CE Credit (Qualifies for required CE on "Laws/Regulations")
- [Click here to pay and receive registration link - \\$25 for members, \\$35 for non-members](#)

#### Wednesday March 17, 2021 @ 8:30 am

- 5 Keys to Cremation Success by Mike Nicodemus
- 1 Hour of CE Credit
- [Click here to pay and receive registration link - \\$25 for members, \\$35 for non-members](#)

#### Thursday March 18, 2021 at 8:30 am

- Defusing Conflict in the Arrangement Room by Jason Troyer
- 1 Hour of CE Credit
- [Click here to pay and receive registration link - \\$25 for members, \\$35 for non-members](#)

#### Friday March 19, 2021 at 8:30 am

- Preneed and the Global Pandemic 2020 by James Ruggiero of Lakeland Preneed
- 1 Hour of CE Credit (Qualifies for required CE on "Preneed")
- [Click here to pay and receive registration link - \\$25 for members, \\$35 for non-members](#)



Warfield-Rohr  
Casket Co., Inc.

### IFHV MEMBER BENEFIT WITH WARFIELD-ROHR

To show support of Virginia's independent firms and particularly IFHV members, Warfield-Rohr Casket Company just announced a special casket program just for IFHV firms. The program was reviewed and unanimously endorsed by the IFHV Board of Directors.

The Warfield-Rohr Benefit Program for IFHV Members offers member firms a quantity driven discount plan of up to a combined Terms Discount/Rebate of up to 20%. The rebate program began on August 1 and ends July 31 of each year. The rebate program quarters will end on November 30, February 28, May 31 and August 31 of each year.

Quantity of Caskets Purchased	Terms Discount	IFHV Member Rebate	Total Percentage Rebate	Contribution to IFHV per Casket
1 – 25	5%	6%	11%	\$2.00
26 -39	5%	9%	14%	\$2.00
40 – 59	5%	10%	15%	\$2.00
60 – 99	5%	13%	18%	\$2.00
100+	5%	15%	20%	\$2.00

To further show support for IFHV and its members, Warfield-Rohr will additionally contribute \$2 for every casket sold by them to an IFHV member. This program is an example of the benefits of IFHV membership and how IFHV works for the mutual benefit of its firm and associate members. Any questions may be addressed by your Warfield-Rohr sales representatives.

# Bill Black

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## Simplified PPP Forgiveness for Loans \$150,000 and under

# PPP Update

On December 27, 2020, the Consolidated Appropriation Act was signed into law which created significant changes and an extension to the Small Business Administration's Paycheck Protection Program. On January 20, 2021, the Small Business Administration released an updated [Form 3508S PPP Loan Forgiveness Application](#) to comply with these changes.

### What businesses are eligible for this new forgiveness form?

Businesses that received loans of \$150,000 or less are eligible to use this form. Certain members of affiliated or controlled groups may not be eligible.

### What are the benefits of using this new form?

This form greatly simplifies the forgiveness process for borrowers. Borrowers are not required to perform detailed calculations of full-time employee (FTE) counts and reductions. Borrowers are not required to provide detailed listings of other non-payroll eligible expenses or supporting documentation for the figures or calculations that are presented on the forgiveness application.

Borrowers are only required to report:

- Loan and borrower identifying information
- Numbers of employees at application and at forgiveness
- The amount of loan proceeds spent on payroll costs and the period over which they were spent
- The amount of the loan they would like to have forgiven
- Certifications that the borrower has complied with all provision and that the application is true and correct

### How does a business report their Economic Injury Disaster Loan (EIDL) grant on this form?

The recently passed stimulus legislation eliminated the requirement to reduce PPP forgiveness for any EIDL grant received. Therefore there is no longer a need to report the amount of EIDL grant received on the PPP Forgiveness application.

### Does this form provide for automatic forgiveness?

There is no method for automatic forgiveness. All PPP loans will require some method of reporting to your lender and the SBA. This application provides for simplified forgiveness.

### Can I use this form and apply for the newly expanded [Employer Retention Credit](#)?

Yes, but borrowers should take care to not report wages used for other tax credits or grant programs (RebuildVA, Provider Relief Fund, etc.) on their PPP application as well.

### Emergency Regulations- Amended regulations in effect for 1 year



As a result of the "split licensure" legislation from the 2020 general assembly session, the Virginia Board of Funeral Directors and Embalmers has instituted Emergency Regulations for Funeral Directors and Embalmers. The changes were needed to address the now 3 different license types (Funeral Service Licensee, Funeral Director and Embalmer). The regulations new regulations went into effect January 5, 2021. You may view them here.

[Licenses for funeral directors and embalmers - effective 1/5/2021 to 7/4/2022](#)

Currently the IFHV annual conference is scheduled to be an in person conference this August 22-23 in Virginia Beach, VA. The Board of Directors is trying to determine interest from the membership before deciding whether or not to keep the meeting "in-person" or move it to a virtual platform.

Please answer this brief survey to help the planning committee.

<https://www.surveymonkey.com/r/NKTCLVP>



# PPP Round Two Update

After much anticipation, on December 27, 2020, President Donald Trump signed COVID relief legislation. The provisions included in this bill extend numerous provisions enacted by the CARES Act in March of 2020 and extended many other tax provisions. After signing, President Trump sent a redlined version of the bill back to the House to vote on today which will increase the amount of stimulus checks to \$2,000 per adult and \$600 per child. We will report more on this provision once it is finalized. For now, we believe the provisions regarding PPP funding and other guidance detailed below will be unchanged.

## Payroll Protection Plan Draw Two

This legislation provides for additional funding to the Payroll Protection Program that was heavily utilized earlier this year. PPP loans will be available to entities that received PPP funds earlier in the year and to borrowers that did not receive PPP funds previously. There are separate eligibility requirements for each.

Entities who previously received a PPP loan must:

- Employ no more than 300 people.
- Have experienced a decrease in gross receipts of at least 25% for any quarter in 2020 compared to the same quarter in 2019. If the business was not in business in 2019 the business can compare the gross receipts in any quarter in 2020 to the first quarter of 2020 to determine the reduction in gross receipts. Additional guidance is needed from the SBA regarding the definition of gross receipts, but we do not anticipate PPP funds and possibly EIDL grants to be included in the calculation of gross receipts

For entities that did not receive funding in the initial round of PPP loans, the eligibility requirements are:

- Businesses with 500 or fewer employees that are eligible for other SBA 7(a) loan.
- Sole proprietors, independent contractors, and eligible self-employed individuals.
- Not-for-profits, including churches.
- Accommodation and food services operations (NAICS codes starting with 72) with fewer than 300 employees per physical location.

Borrowers will be able to receive 2.5 months of average payroll expenses. Average payroll can be calculated based on either 2019 payroll costs or payroll costs for the twelve months prior to applying for the PPP loan. For borrowers that received PPP loans earlier this year, the same reports provided to lenders for the initial round of funding can be used to apply for this round of PPP loans.

Borrowers who have yet to apply for forgiveness are not required to apply for forgiveness nor are they required to have their PPP loans approved for forgiveness by the SBA prior to applying for additional PPP funds. Borrowers should, however, either already used or be capable of fully using all their initial PPP funds before applying for additional PPP funding.

Congress has expanded eligibility for PPP loans to include certain 501(c) (6) non-profit organizations, such as trade associations and local chambers of commerce. There are limitations on the amount of lobbying activities these organizations may participate in to be eligible for the PPP program. If your entity falls into this category, please reach out to your CPA firm regarding eligibility to apply for a PPP loan.

There are funds set aside in this round of PPP loans for businesses that were unable to receive a PPP loan in the first round of funding, employers with fewer than 10 employees and community lenders. We anticipate that these funds will be depleted very quickly. Entities that believe they may be eligible should begin gathering data and speaking to their bankers now to ensure they have necessary documentation together to apply for this round of PPP loans.

## Clarification of Tax Impacts of PPP Loan Forgiveness and EIDL Grants

The CARES Act legislation passed in March explicitly stated that the PPP loan proceeds would not be included in income. The IRS subsequently issued guidance stating that the loan proceeds were tax-exempt income and therefore the related expenses used for forgiveness would not be tax deductible, per the Internal Revenue Code. Congress indicated that was not the intent of the original legislation and has rectified this in the new legislation. The legislation explicitly states that *"no deduction shall be denied, no tax attribute shall be reduced and no basis increase shall be denied"* for recipients of PPP loans, EIDL grants, live venue grants and other business financial assistance.

Businesses that received PPP funds and used those funds to keep employees on payroll, even in times with no work or production, will not be penalized with a tax on their PPP funds. This applies to both initial and subsequent PPP funds received.

### **Simplification of PPP Forgiveness**

Congress has simplified the forgiveness process for those businesses receiving PPP loans of less than \$150,000. This applies to both initial PPP loans received in early 2020 and those PPP loans that will likely be funded in early 2021. Borrowers with loans under this threshold may file a simple application for forgiveness that includes a description of the number of employees the borrower was able to retain because of the loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount.

The legislation also repeals the requirement that borrowers reduce their EIDL grant from PPP forgiveness. This will likely cause issues for loan that have already been forgiven and repaid the portion of their PPP loan unforgiven due to an EIDL grant. We anticipate that the SBA will provide guidance on these situations in the coming weeks.

### **Additional Location or Industry Specific Grants and Funding**

The legislation provides additional funding for Emergency Injury Disaster Loan (EIDL) grants to businesses located in low income communities. Live venues, such as museums, independent movie theaters and music venues and businesses located in low income or minority communities will have set aside funding. We anticipate the SBA will be providing information in the coming weeks on how to apply for these funds.

### **Extension of FFCRA Employer Mandated Sick Leave for Employees and Tax Credits**

In [previous communication](#), we've outlined the mandated sick leave that certain employers are required to provide to their employees. This legislation extends those mandates to March 31, 2021. These costs can be offset by related payroll tax credits that can be claimed on an Employer's quarterly Form 941.

Self-employed individuals are also eligible for the tax credit related to COVID sick leave. The legislation clarifies that self-employed individuals can use the prior year net earnings from self-employment to calculate the credit. If you are self-employed and were out of work due to a COVID-19 quarantine or diagnosis, be sure to communicate this to your tax preparer in 2021.

### **Extension of Employer Tax Credits and Deferrals**

The bill extended the optional deferral of payroll tax by employees from to December 31, 2021. It also extended and expanded the Employee retention credit (ERC) and rehiring tax credit. These tax credits were generally not available to entities receiving PPP funds. We anticipate that the IRS will provide additional guidance on these deferrals and payroll tax credits in the coming weeks.

### **Expanded Deduction for Business Meals Expenses**

In an effort to drive business to struggling restaurants, Congress has expanded the deductibility of business meal expenses from 50% deductible to fully deductible from December 31, 2020 through January 1, 2023. The expenses must be incurred from a restaurant to be eligible.

### **Guidance on Qualifying Educator Expense Tax Deductions**

Educators are allowed to deduct up to \$250 annually for expenses paid personally related to supplies purchased for their classroom. The legislation expands the definition of these eligible costs to include personal protective equipment (PPE) and cleaning supplies for the classroom.

This is a brief summary of selected items included in this expansive legislation. As additional guidance and clarification is issued, we will provide updates.

## 2021 Payroll Tax and Credits Update

### Extension of FFCRA Sick Leave Tax Credits

In previous communications, we've outlined the mandated sick leave that certain employers were required to provide to their employees under the Families First Coronavirus Relief Act (FFCRA). The Consolidated Appropriations Act, signed into law on December 27, 2020, extends the tax credits related to that leave through March 31, 2021, but **does not extend the mandate to provide employees with leave**. For employers who choose to voluntarily provide leave to assist in the nationwide battle against the coronavirus, these credits are claimed on an Employer's quarterly Form 941.



We recommend that businesses work with their payroll processors or payroll departments to ensure appropriate wage codes are set up to capture wages paid related to this leave. We also recommend that employers create forms for their employees to request the leave as documentation to support the credits received.

Self-employed individuals are also eligible for the tax credit related to COVID sick leave. The legislation clarifies that the self-employed individuals can use the prior year net earnings from self-employment to calculate the credit. If you are self-employed and were out of work due to a COVID-19 quarantine or diagnosis, be sure to communicate this to your tax preparer in 2021.

### Expansion and Extension of Employee Retention Tax Credits

Originally created in the CARES Act passed in March 2020, employee retention credits were previously not available to businesses that received PPP loans. The recently passed legislation in December 2020 retroactively expanded the eligibility for these credits to companies that received PPP loans. The legislation also expanded and extended the credits for the period of January 1, 2021 through June 30, 2021.

#### Qualifications and credit calculations for wages paid in 2020:

1. Employers must have experienced a shutdown order by the government *or* experienced a drop in revenue for the quarter compared to 2019 of at least 50%.
2. Employers with more than 100 Full Time Equivalent employees, the credit can only be claimed on for wages paid to employees that were not working or providing services are eligible.
3. Employers with fewer than 100 FTEs, all wages are eligible for the credit, provided they meet the test in item one above.
4. The credit is calculated as 50% of the employee's wages up to \$10,000 of wages for the year.

#### Qualifications and credit calculations for wages paid in 2021:

1. Employers must have experienced a shut down order by the government *or* experienced a drop in revenue for the quarter compared to 2019 (*note the comparison to 2019 continues into 2021*) of at least 20%.
2. Employers with more than 500 Full Time Equivalent employees, the credit can only be claimed on wages paid to employees that were not working or providing services are eligible.
3. Employers with fewer than 500 FTEs, all wages are eligible for the credit, provided they meet the test in item one above.
4. The credit is calculated as 70% of the employee's wages up to \$10,000 of wages for each quarter of 2021. Note the maximum limit for 2021 is applied quarterly versus annually in 2020.

If an employer received a PPP loan, they may not use wages for forgiveness and the employee retention credit. Employers that have already filed for forgiveness and are eligible for these credits should await guidance from the Treasury before claiming the credits.

This a brief overview of these tax credits and there are additional continuing qualifications requirements. If your business qualifies for either of the items in items one, contact your CPA for additional analysis.

### VEC Online Filing Requirement

The Virginia Employment Commission is requiring quarterly reports to be filed online for most employers starting in 2021. Due to these changes, employers' annual rate change calculations are not being mailed in 2021. Employers should access the VEC website and obtain their rate change information and provide that information to their payroll provider or update their payroll software accordingly. Employers can submit a waiver request for undue hardship if electronic filing is not feasible.



The Virginia Department of Health has now updated the Guidance on the Vaccination Efforts for Virginians. Previously it was unclear if funeral directors would be included high up on the prioritization list under phase 1a. The VDH has now issued updated guidance on who qualifies as a "healthcare personnel (HCP)." Funeral directors and their staff are now listed as approved HCP and are permitted to get the vaccine as a part of phase 1a.

#### [COVID-19 Vaccine – Virginia COVID-19 Vaccine](#)

#### **HCP by Order of Risk**

To the extent possible, vaccination opportunities should first be aimed at those at greater risk before those at less risk. However, opportunities to vaccinate other HCP efficiently and quickly should not be missed.

1. Those who directly engage in the care of or interact with patients known or suspected of COVID-19, or who have direct exposure to potentially infectious materials from patients known or suspected to be infected with COVID-19.
2. Healthcare personnel who interact with patients at higher risk for infection due to the patients' individual risk factors but are not known or suspected to be infected with COVID-19 (dialysis, residential care facilities and EMS.)
3. Employees and contracted personnel not otherwise vaccinated per the above categories whose duties may require access to clinical settings at health system facilities or who are critical to the ongoing operations of health system facilities.
4. Healthcare personnel who interact with patients not known or suspected to be infected with COVID-19.

#### **How HCP Can Access Vaccination**

Healthcare systems and local health departments are working collaboratively to vaccinate healthcare personnel.

The ability to schedule appointments will depend on the supply of vaccine available.

LOCAL HEALTH DEPARTMENTS are compiling lists of healthcare providers who are not affiliated with a hospital or health system and are reaching out to those groups as quickly as possible.

#### **INFORMATION FOR HEALTHCARE EMPLOYERS**

Determine which of your employees are at high risk for exposure to COVID-19.

If you haven't yet been contacted by a health system or local health department, contact your local health department. If unable to get in contact with the local health department, contact the VDH COVID-19 Call Center at 877-ASK-VDH3 (877-275-8343) for assistance.



The 2021 Virginia General Assembly is now underway. A short session typically lasts 45 days, however this year's session is expected to only last 30 days. It's also expected that the Governor will call all legislators back for an additional 15 day "special session" immediately after the 30 day regular session. Session began on January 13th, cross-over will be February 5th and the end of session will be February 11th. It is anticipated to move at record speed as all activities will be conducted virtually and legislators were only permitted to introduce 1/2 the number of bills as compared to last year. In the House of Delegates there were just over 850 pieces of legislation introduced and over 425 pieces of legislation in the Senate. While there are a number of bills directly affecting the funeral profession there are also a number of employment issues being heard this year as well.

A few bills to highlight....

#### **IFHV Is Supporting:**

**SB 1424 - Cosgrove** - Funeral service establishments; manager of record.

Defines "manager of record" as a person who manages and handles all operations of a licensed funeral service establishment and sets out the conditions under which a funeral service licensee or a funeral director may serve as a manager of record.

**HB 2116 - Mugler** - Declared states of emergency, certain; funeral service licensees designated as essential workers.

Provides that in any case in which the Governor has declared a state of emergency related to a communicable disease of public health threat, funeral service licensees shall be considered essential workers

#### **IFHV is Opposing:**

**SB 1268 - Deeds** - Disposition of the remains of a decedent; persons to make arrangements for funeral.

**HB 2005 - Sickles** - Disposition of the remains of a decedent; persons to make arrangements for funeral.

Establishes an order of priority for persons who have the right to make arrangements and otherwise be responsible for a decedent's funeral and the disposition of his remains

#### **Other Legislative Issues of Interest**

##### **HB 2015 - Ayala - Essential workers; hazard pay, employer to provide personal protective equipment, civil penalty.**

- Requires, that following the declaration by the Governor of a state of emergency that includes or is followed by any additional executive order in furtherance of such declaration that includes a stay-at-home or shelter-in-place order, employers shall (i) compensate each of their essential workers at a rate not less than one and one-half times the essential worker's regular rate of pay for any hours worked during the closure order and (ii) provide their essential workers with personal protective equipment related to the state of emergency and recommended for the relevant work site or job task by the Virginia Department of Labor and Industry, the State Department of Health, the U.S. Centers for Disease Control and Prevention, or the federal Occupational Safety and Health Administration. The bill defines "essential worker" as an individual employed as a health care provider, home care provider, or airport worker or by an essential retail business, as specified in the bill. The bill subjects violators to the same civil penalties, and provides the same cause of action for an employer's failure to pay the required hazard pay, as are currently imposed for failing to pay wages generally.

##### **HB 2016 - Ayala - Paid family and medical leave program; Virginia Employment Commission required to establish.**

- Requires the Virginia Employment Commission to establish and administer a paid family and medical leave program with benefits beginning January 1, 2024. Under the program, benefits are paid to eligible employees for family and medical leave. Funding for the program is provided through premiums assessed to employers and employees beginning in 2023. The amount of a benefit is 80 percent of the employee's average weekly wage, not to exceed 80 percent of the state weekly wage, which amount is required to be adjusted annually to reflect changes in the statewide average weekly wage. The measure caps the duration of paid leave at 12 weeks in any application year. The bill provides self-employed individuals the option of participating in the program.

##### **HB 2063 - Mullin - Virginia Overtime Wage Act; overtime compensation employees, penalties.**

- Requires an employer to compensate its employees who are entitled to overtime compensation under the federal Fair Labor Standards Act at a rate not less than one and one-half times the employee's regular rate of pay, defined in the bill, for any hours worked in excess of 40 hours in any one workweek. The bill includes provisions for calculating overtime premiums due to fire protection and law-enforcement employees by certain public sector employers. The penalties provided by the bill for an employer's failure to pay such overtime wages, including civil and criminal penalties, are the same as currently provided for failing to pay wages generally. The statute of limitations for bringing a claim for a violation of the bill is three years.

##### **HB 2103 - Reid - Certain public & private employers to provide earned paid sick time.**

- Requires public and private employers with 35 or more full-time equivalent employees to provide eligible employees, defined in the bill, with earned paid sick time and paid sick time. The bill provides for an eligible employee to earn up to 40 hours of earned paid sick time depending on the amount of hours the eligible employee has averaged over the previous year or, for a new employee, is projected to work. An eligible employee shall not earn or use more than 40 hours of earned paid sick time in a year, unless the employer selects a higher limit. The bill provides that earned paid sick time may be used (i) for an eligible employee's mental or physical illness, injury, or health condition; an eligible employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an eligible employee's need for preventive medical care; or (ii) to provide care to an eligible employee's family member

Legislation changes quickly. For the most up to date information on a bill please visit [Virginia's Legislative Information System Here](#)