

Financial Minute with Robert Seid - The CARES Act and Commercial Fishermen

<https://www.akyoungfishermen.org/dock-talk/2020/4/4/financial-minute-with-robert-seid-cares-act-and-fishermen>

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[April 4, 2020](#)

The CARES (Coronavirus Aid, Relief, and Economic Security) Act was signed into law on Friday, March 27, 2020. At \$2 trillion, it is the largest economic stimulus/relief package in US history. Its primary intent is to counterbalance the unusual financial stress placed on individuals, small businesses, borrowers, and certain sectors of the economy by the coronavirus pandemic. Similar measures were taken during 2008 to prevent the economy from slipping even further during the housing crisis, and this is no different.

If you are **fishing crew or a captain** whose season usually occurs between now and June 30, 2020, but has been disrupted by the pandemic you may be eligible for assistance:

Unemployment Compensation benefits - an increase of \$600 per week for unemployment benefits for up to four months as well as an expansion of benefits for those who would otherwise not normally qualify (like self-employed individuals and independent contractors). We'd recommend anyone who may be eligible to apply ASAP with their state unemployment office.

Your position as a **fishing business owner** may entitle you to specific benefits:

- **Economic Injury Disaster Loan/Grant for Business Owners** – you may be eligible for up to \$10,000 in grant funds (not a loan, does not have to be repaid). [Apply here](#), approximate time to complete application is 10 minutes. I would urge any business owners to apply to this as it is the most straightforward of the relief programs.
- **Paycheck Protection Program (PPP) for Business Owners** – More technical than the Disaster loan/grant, but more funding available, [check info here](#). Some portion may be forgivable. Program available until June 30, 2020. Likely most applicable to fisheries currently in operation (i.e., paying people now) and experiencing economic disruption from COVID-19. Applications are best routed through your banking/lending institution. Smaller credit unions may have faster processing times than larger banks.
- **Payroll Tax Credit** - Employers are eligible for a 50 percent refundable payroll tax credit on wages paid up to \$10,000 during the crisis. The credit would be available to employers whose businesses were disrupted due to virus shutdowns and those that had a decrease in gross receipts of 50 percent or more when compared to the same quarter last year. Keep in mind; if you use this tax credit, you cannot utilize the PPP Loan.
- **Extended Tax Filing and IRA contribution Deadlines** - The deadline has been extended from April 15, 2020, to July 15, 2020. You can also extend (as usual) until October 15. This may be wise in case you are expecting to need fishing income from Spring/Summer 2020 to cover your 2019 tax bill or maximize retirement account contributions, especially those for a Solo 401k.

More details on the above programs can be found [here on the US Chamber of Commerce site](#).

Your off-season work may also be experiencing disruption from COVID-19, in which the below benefits may apply to all commercial fishermen:

- **Recovery Rebates (Immediate Individual Direct Payments)** - If you earn up to \$75,000 as a Single taxpayer or \$150,000 as Married Filing Jointly taxpayers (on your most

recently filed tax return), you can receive \$1,200 per adult and \$500 per qualifying child (under age 17) as a direct payment. This is subject to limits and phaseouts that can be seen [here](#). This is not taxed as income. This credit is a one-time rebate, but policymakers may consider additional rebates if the downturn is prolonged. Funds will be received quicker if you have direct deposit information on file with the IRS.

- **Unemployment Compensation benefits** - see the above section on unemployment for crew.

The CARES Act is over 800 pages long and is still being interpreted. I have chosen to share the parts of this bill that I believe are most relevant to commercial fishermen. Please understand the above is meant to inform you of what your options for benefits may be, but you will need to clarify if they will appropriately apply to your individual situation.



About Robert

Robert Seid is a financial advisor and Partner at Blue Summit Wealth Management, an independent wealth advisory firm in San Diego, CA. He also captains an Alaska commercial fishing vessel in Bristol Bay. His experience in both industries provides him the perspective to share financial guidance specifically geared for commercial fishermen. To learn more about how Robert and Blue Summit can help you and your operation succeed, please visit www.bluesummitwealth.com.

Robert started in the Bristol Bay fishery in 2011 as a green crew member, walking the yards to find his first opportunity. His love for nature and adventure found a home in Bristol Bay and, after his first year on the water, he was hooked. He has returned every year since and purchased his own vessel in 2019. As a skipper, his dedication to commercial fishing has only continued to grow.