



## Basis Points – April 2, 2020

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### Above the Fold

*What Other Stimulus is in the CARES Act?*

The Coronavirus Aid, Relief and Economic Security Act ([CARES Act](#)) is the formal name for the massive \$2.2 trillion legislation recently signed into law. Beyond the [payments](#) going out to many Americans in the next few weeks (this timeframe recently confirmed by the U.S. Treasury), the stimulus package contains dozens of remedies for citizens and corporations directly or indirectly impacted by the recent pandemic. The majority of them are hyper-specific and focused on everything from medical supplies to health care innovation, but there are a few financial benefits buried in its nearly 250 pages we thought you'd want to know about:

- For the next 180 days, the limit for a 401(k) loan has been increased from \$50,000 to \$100,000.
- Until Dec. 31, 2020, Americans under age 59½ can take a penalty-free, early distribution from their IRA or 401(k) up to \$100,000.
- If you're a business owner, there are provisions for SBA loan forgiveness, delays of payments for loans and even delays for corporations on estimated tax payments out to Oct. 15, 2020, and a payroll tax deferral out until Jan. 1, 2021.

If you think you may benefit from any part of the CARES Act, be sure to verify your eligibility with your accountant or financial advisor.

## Three Things

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1. *Xerox, Unfortunately, Can't Print Money* – Xerox officially ended its five-month hostile bid effort to acquire larger rival HP Inc. With HP three times its size, Xerox was already pushing the limits of leverage to get the deal done. Even with the sale of Xerox's Fujifilm joint venture and dramatic cost cutting, the recent blow to its stock price, coupled with the current economic landscape, made the deal unviable.
2. *Telemedicine? Hold Please* – Not too long ago, telemedicine companies were struggling to gain major traction in an industry that thrives on face-to-face encounters. With COVID-19 fears sweeping the globe, companies like Doctor On Demand, Inc. and Teladoc Health, Inc. are struggling just to keep pace with demand. Both are adding providers and spending on tech to cut down the astronomical hold times that some patients are experiencing. A 34-year-old Dallas woman was on "hold" for 22 hours awaiting her Teladoc provider video call before it was cancelled.
3. *Amazon is Essential, but Employees Don't Feel That Way* – With much of the country indoors, and many stores closed or out of stock, Amazon has become an increasingly vital part of our commerce. Amazon.com visits are up over 30% compared to 2019, and package volume is similar to a busy holiday season; but workers, many scared of contracting COVID-19, are in short supply. Amazon is already delaying orders on many items, but it may not be enough. According to a Wall Street Journal report, the company doesn't offer enough masks or supplies to keep employees safe and a great number simply aren't showing up. Before the outbreak, Amazon was responsible for more than one-third of ecommerce volumes in the U.S.

## Did You Know?

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*COVID-19 Positives*

- The FDA authorized a new two-minute COVID-19 antibody testing kit. The average wait time for test results is still greater than three days, causing a delay for patients during what could be a critical time in their care. This test could help recovering patients know if they are able to go back to work and help health care providers quickly determine their risk and immunity levels.
- Insurers Cigna, Humana and Aetna stepped up in a big way, pledging to waive consumers' costs (deductibles, copayments and coinsurance) for COVID-19 treatments. All three also agreed to waive patient costs for coronavirus-specific testing and telemedicine visits related to COVID-19 and its symptoms. Check with your insurer for details.

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