

HAVE YOU CONSIDERED THE EMPLOYEE RETENTION CREDIT?

If you did not receive a Paycheck Protection Program loan, you may want to consider the CARES Act Employee Retention Credit.

The Employee Retention Credit (ERC) may offer a tax credit up to \$5,000 per employee for wages paid from March 13 to December 31, 2020. It's one of the relief programs within the Coronavirus Aid, Relief, and Economic Security (CARES) Act for employers who continue to pay their employees. The credit may be available to employers whose:

- Operations were fully or partially suspended due to novel coronavirus (COVID-19)-related limits on commerce, travel, or group meetings; or
- Gross receipts for the 2020 quarter decline more than 50% when compared to the same 2019 quarter. Eligibility for the credit continues through the 2020 quarter in which gross receipts are greater than 80% of gross receipts in the same 2019 quarter.

The credit works differently depending on company size. Employers with more than 100 employees are eligible for a tax credit of 50% of wages, up to \$10,000 per employee, paid to employees who are NOT performing services. Employers with 100 or fewer employees are eligible for the same amount, paid to all employees, regardless of amount of services performed. The maximum for both is \$5,000 per employee. The following chart illustrates eligibility.

