

# The Employee Retention Credit

## YOUR BUSINESS SHOULD TAKE ADVANTAGE OF THIS VALUABLE STIMULUS PACKAGE BENEFIT

If your business has experienced disruptions in operations or declines in revenues created by the pandemic, much needed relief may be available to you through the Employee Retention Credit (ERC) in the CARES Act and subsequent legislation. Aprio can help your business claim this valuable credit.

### What is the ERC?

The ERC is a refundable federal payroll tax credit designed to encourage businesses to retain their employees through the COVID-19 pandemic.

- Claimed on quarterly Form 941 of your Quarterly Federal Tax Return.
- Number of employees does not affect credit eligibility.
- PPP borrowers now eligible to obtain ERC.

For more information on how Aprio can help your company claim the Employee Retention Credit, contact:



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<b>Eligible Employer</b>	The ERC applies to any private-sector business or tax-exempt organization that carries on a trade or business that: <ol style="list-style-type: none"> <li>Was fully or partially suspended due to orders from the federal or state government limiting commerce, travel, or group meetings due to COVID-19 or,</li> <li>Experienced a significant decline in gross receipts during any quarter compared to that same quarter in 2019. Defined as a 50% decline in any quarter during 2020 and a 20% decline in 2021.</li> <li>Began carrying on a trade or business after February 15, 2020 and have annualized gross receipts of less than \$1,000,000.</li> </ol>		
<b>Government Orders</b>	Orders, proclamations, or decrees from the federal government or a state or local government limiting commerce, travel, or group meetings due to COVID-19.		
<b>Suspension of Business</b>	A business is deemed to be fully or partially suspended if an appropriate governmental authority imposes restrictions on the business's operations causing the business to be: <ol style="list-style-type: none"> <li><b>Fully suspended</b> – Must cease all operations</li> <li><b>Partially suspended</b> – Can still continue to operate with some, but not all normal operations</li> </ol>		
<b>Qualified Wages</b>	<b>MOST BUSINESSES</b>		<b>Recovery Startup Businesses</b>
	<b>2020</b>	<b>2021</b>	<b>2021</b>
	Compensation provided to an employee from March 13 to December 31, 2020  <b>Businesses with 100+ full time employees* in 2019</b> – The credit is only available to employees who are not providing services.	Compensation provided to an employee from January 1 to September 30, 2021  <b>Businesses with 500+ employees*</b> – The credit is only available to employees who are not providing services.	Compensation provided to an employee from July 1 to December 31, 2021  <b>Businesses with 500+ employees*</b> – The credit is only available to employees who are not providing services.
<b>Maximum Credit per Employee</b>	50% of qualified wages up to \$10,000 per year \$5,000 per employee	70% of qualified wages up to \$10,000 per quarter, per employee = \$21,000.	70% of qualified wages up to \$10,000 per quarter, per employee = \$14,000 with a maximum of \$50,000 per quarter for the company.

### About Aprio

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**Potential Tax Credit** **\$26,000 per employee**

Independent member  
**Morison Global**

\* Full-time employees in 2019 as calculated per Affordable Care Act guidelines