

Confused About the Employee Retention Credit?

Presented by Jim Kahrs
President, Founder



Employee Retention Tax Credit Program

Qualification

- 2020 Program
 - Revenue must be down more than 50% to qualify
 - or
 - Must have had a **government ordered** full or partial shut down
- 2021 Program
 - Revenue must be down more than 20% to qualify
 - or
 - Must have had a **government ordered** full or partial shut down
 - Allowance for previous quarter look back to qualify

Employee Retention Tax Credit Program

Benefits

- 2020 Program
 - 50% of up to \$10,000 in qualified wages per year
 - This equates to up to \$5,000 per eligible employee for 2020
 - Small employers: (100 employees or less) all employees may be claimed
 - Large employers: (>100 employees) may only claim for employees who were paid while not working
- 2021 Program
 - 70% of up to \$10,000 in qualified wages per quarter
 - This equates to up to \$28,000 per eligible employee for 2021
 - Small employers: (500 employees or less) all employees may be claimed
 - Large employers: (>500 employees) only claim for employees paid while not working

Employee Retention Tax Credit Program

Qualified Wages

- Gross payroll
- Employer portion of health benefit expenses

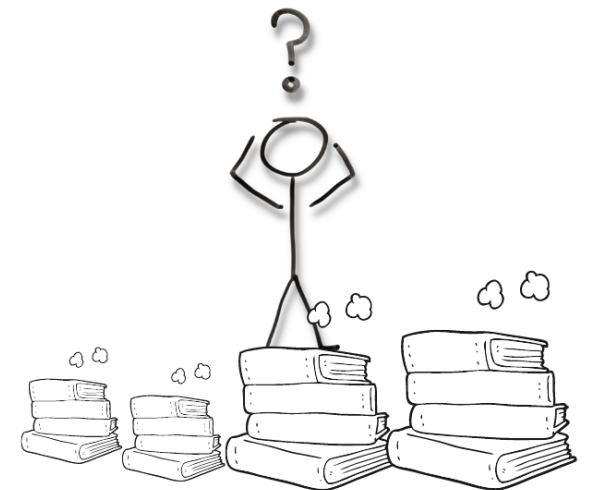
Excluded Wages

- Payroll Protection Program (PPP) wages
- Families First Coronavirus Response Act (FFCRA) and Family Medical Leave Act (FMLA) wages
- Work Opportunity Tax Credit (WOTC) wages
- Related Party Wages

	CARES Act	CAA	ARPA
Time Period	March 13, 2020 to December 31, 2020	January 1, 2021 to June 30, 2021	July 1, 2021 to September 30, 2021 * Modified later to end in Sept.
Credit Rate	50% of qualifying wages	70% of qualifying wages	
Qualified Wages	Up to \$10,000 per employee	Up to \$10,000 per employee	
Maximum Credit per Employee	\$5,000 total for year	\$7,000 per quarter	
Eligible Small Employer	≤ 100 avg full-time employees in 2019	≤ 500 avg full-time employees in 2019	
Eligibility Requirements: Decline in Gross Receipts	Gross receipts decline > 50% in qualifying quarters in 2020 vs. 2019	Gross receipts decline > 20% for qualifying quarters in 2021 vs. 2019	
Lookback Provision for Gross Receipts	Not applicable	May elect to look back to the preceding quarter to meet qualification criteria	
Recovery Start-up Business	Not Applicable		New category of qualified business that started 2/15/2020 or later and limited to \$50,000 in credit per quarter
Severely Financially Distressed Employer	Not Applicable		Gross receipts down over 90% in Q3 or Q4 vs. 2019 and eligible small employer rules ignored. 100% of qualified wages available for credit.
Exclusions for Overlapping Programs	PPP, FFCRA, FMLA, WOTC	PPP, FFCRA, FMLA, WOTC, R&D, Indian Employment, Veterans, Empowerment Zone	PPP, FFCRA, FMLA, WOTC, R&D, Indian Employment, Veterans, Empowerment Zone, SVO Grants, Restaurant Revitalization Grants

Need Help?

- We have a program to lead you through the process
- Starts with a **no charge** analysis to determine if you qualify
- If you qualify, we'll:
 - Analyze interaction with PPP1 and/or PPP2.
 - Calculate eligible credit amount applying the current IRS guidance.
 - Assist with creation of the required worksheets and filing form(s).
 - Assist with coordination with payroll provider.
 - Ensure you have all required documentation prepared .
 - Retain all documentation in case there are future questions from the IRS.
- Program cost \$1,495 per qualifying quarter.





Next Prosperity Plus Web Seminar

July 14 at 1 PM Eastern

Creating Incentive Plans for Service/Admin

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And Now We'll Take Your Questions

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