



The Employee Retention Credit Explained

October 10, 2021

The ERC (Employee Retention Credit) is a one-time Federal refundable tax credit that came to life under the CARES Act. The tax credit is designed to encourage employers to keep employees on their payroll. In December of 2020, the ERC was modified by the Taxpayer Certainty and Disaster Tax Relief Act expanding its scope to all organizations that received Paycheck Protection Program loans as well as organizations that did not receive any PPP loans. This is a majority of small businesses and nonprofits in the country. This modification creates an opportunity for most small businesses and organizations with fewer than 500 employees eligible to claim the tax credit.

Am I Eligible for the Employee Retention Credit?

While eligibility per state can be nuanced based on various shutdown policies and mandates per state, most businesses in every state in america are eligible if they meet ONE of the two following criteria:

1. **The employer experiences a significant decline in gross receipts**

OR

2. **The employer's business operations are fully or partially suspended due to a governmental order**

From the baseline, the tax credit equates to 50 percent of a qualified employee's wages up to a maximum credit of \$5,000 per employee in 2020 (against the first \$10,000 in employee wages) and a maximum credit of \$28,000 per employee in 2021. Qualified employee's wages are those that were not funded with monies from the Paycheck Protection Program. Restaurants, bars,

and other qualified employers that paid employees during the tax year 2020 or 2021 with non-PPP monies can potentially see refund checks amounting to tens of thousands of dollars and up to hundreds of thousands of dollars; if not more. The credit can be as high as \$35,000 per employee for 2020 and 2021 combined.

You will QUALIFY even if:

- Your revenues increased because you moved your business online
- You received round one PPP loan and/or round two
- One or both of your PPP loans were forgiven
- You used 100% of your PPP loans to pay payroll
- You are a nonprofit organization
- You are a tax-exempt organization
- You have over 100 employees

There are very few scenarios where an organization does not qualify for this credit. We can help you through this process.

How do I calculate my Employee Retention Tax Credit

The Employee Retention Credit is a complex credit to capture with defined steps and a multi-year process. ERT.credit harnesses our 20+ years of experience helping businesses and nonprofits get the most value out of their payroll expenses and deductions.

The official IRS rules governing this credit can be found here:

Latest IRS Guidance On The Employee Retention Credit

Treasury, IRS provide additional guidance to employers claiming ...
IR-2021-165, August 4, 2021 - The Treasury Department and the IRS today issued further guidance on the employee retention credit, including
 <https://www.irs.gov/newsroom/treasury-irs-provide-additional-guidan...>



How can I quickly find out if I am eligible and file for my tax credit?

We at ERT.credit specialize in payroll and helping customers claim their Employee Retention Credit. Since January 1 2021, we have helped businesses claim more than \$10,000,000.00 in credits.

Our service is FREE until we complete the work and provide you with an audit ready package that you can send directly to your payroll company and have them file your amended returns.

We also stand by you to support your interactions with your payroll company to get this last step done. We are not satisfied until you are.

We have a simple and completely electronic process:

-  1 Ready to move forward? Fill out our intake form on our website
-  2 We determine your eligibility
-  3 Provide us with Payroll Access – It is quick, easy and secure
-  4 We will estimate your credit so you can determine if you want to proceed
-  5 If given the green light, we will provide you with an electronic engagement letter
-  6 We will complete the calculations and build your audit-ready packages for each tax year
-  7 Your payroll company will file amended payroll tax returns (we will work with your provider)
-  8 The IRS will issue a live check for each quarter that had qualified wages

ERT.credit has streamlined the process of filing for this credit into 8 easy steps. The process is completely electronic and secure. We complete your return calculations and provide you with the final outputs for your payroll company within 48 hours.

Our Promise To You

1. We determine your eligibility using strict accounting practices in compliance with IRS rules and regulations and in compliance with federal and state law
2. Our standard agreement requires NO upfront costs or retainers
3. IMPORTANT: We only charge our fee for service if your credit exceeds our fees. In most cases, our customers refunds far exceed our fee
4. If you are getting a refund but the refund is lower than our fee, we will lower our fee or eliminate the fee completely
5. We will continue to support you until you have received your refund
6. If for any reason, the IRS disputes your refund or denies it, we will work with you to remedy the situation. Including working with the IRS or if a mistake was made, we will refund any fees paid to us

Our goal is to make this credit very easy to claim and create no risk for our customers. The ERC is a great opportunity for small and medium sized organizations to add additional working capital or perhaps even pay out bonuses to your employees.

This Sounds Great! What is my downside?

The credit is taxable as income and can affect your 2021 tax return

Am I opening myself up for an audit?

In our history of doing payroll and filing amended 941 returns with the IRS, we have never seen a single 941-X trigger an audit.

My Accountant says I don't qualify for the ERC?

Your accountant has your best interest in mind. We can help educate them on the value of this credit. We have several customers who were told they do not qualify for this credit. On average,

we have returned between \$100,000 - \$250,000 to each of these customers. Given the shutdown mandates nationwide, most businesses qualify for this credit.

In addition, if you would like to speak with other business owners in your industry that have used our services, we would be happy to set up a reference phone call with these customers so you can be completely informed and confident of your decision to move forward with claiming your Employee Retention Tax Credit.

Contact Us & Let's Get Started!

Contact us today to get started. Getting started is easy at ERT.credit. You can also email us at hi@ert.credit or call us at 571-220-6208. We will be happy to speak with you and address any additional questions or concerns you may have about this one time opportunity.