



ACCUPAY CLIENT RESPONSE FORM

CARES Act and FFCRA Instructions to AccuPay Regarding SBA (PPP) Loans, Mandated Sick/Leave Wages/Credits, FICA Tax Deferrals and Employee Retention Tax Credits

Name of Employer _____

Name of Authorized Representative _____

We are aware that we need to notify AccuPay, Inc about the decisions and elections we have made/are making regarding various provisions of the recently passed FFCRA (Families First dealing with mandated sick/family leave wages/tax credits) and the CARES Act, as they impact the correct processing of payroll and payroll taxes now until December 31, 2020. We realize that both of these new laws are still being interpreted by the IRS and DOL, and that AccuPay, Inc has carefully reviewed both laws and will implement our below decisions to the best of our abilities.

FAMILIES FIRST CORONAVIRUS RELIEF ACT (FFCRA)

This law was enacted on March 18, 2020 and requires employers with fewer than 500 employees to compensate wages to current employees who are required to be off from work for sickness and/or family leave due to COVID-19, for all "leave" from April 1, 2020 through December 31, 2020. We understand that we will receive federal tax credits equal to the amount of wages we are required to pay to employees for absences due to the Coronavirus. **WE UNDERSTAND THAT WE MUST NOTIFY AccuPay about the employees and their wage amounts who we are required to pay due to the FFCRA, and we must notify AccuPay on or before we submit payroll information for those wages, so that AccuPay can correctly "code" those wages in our payroll system and as such claim the federal tax credits on the Form 941 tax returns as well as reduce our Form 941 IRS tax deposits for immediate use of the federal tax credits.** FURTHER INFORMATION ABOUT THE FFCRA provisions are available on [AccuPay's website](#) at our blog post pertaining to provisions of the FFCRA (with links to DOL information about the law)

CARES ACT SBA SECTION 7(a) LOANS WITH FORGIVENESS PROVISIONS

We realize that IF we apply for and receive a SBA (PPP) loan per the CARES Act legislation that we can NOT claim federal tax credits pursuant to the "Employee Retention Credits" sections of the CARES Act. In order that AccuPay can correctly process your payroll and your payroll taxes, we affirm the following about the SBA loan to you:

We have applied for, or are in process of applying for or have received SBA (PPP) loan proceeds from a Section 7(a) loan with forgiveness provisions pursuant to the CARES Act:

- YES, we are getting an SBA loan as described above
- NO, we are not getting an SBA loan as described above (NOTE, employers with 500 or more employees can not apply for this loan.)

DEFERRAL/POSTPONEMENT OF THE EMPLOYER SHARE (6.2%) OF FICA TAXES FROM NOW THROUGH DECEMBER 31, 2020

The CARES Act provides that employers of all sizes can defer/postpone payment of the employer share of FICA taxes (6.2% of wages up to the FICA wage cap for 2020) for payrolls paid after March 27, 2020 through December 31, 2020. The deferred/postponed FICA taxes are due in 2 equal installments on December 31, 2021 and 2022. These taxes are simply delayed, not forgiven, and the employer is required to maintain a record of all FICA taxes deferred from this year so they can pay those taxes at the end of 2021 and 2022. No interest will be charged on these FICA tax deferrals, and they will not generate late deposit penalties IF paid on or before the due dates at the end of 2021 and 2022. Employers who "elect" to postpone the payment of the employer share of FICA taxes are encouraged to record a "liability" in their general ledger in which they will monitor the amount they owe to the IRS for deferred payroll taxes. If you elect to postpone these taxes, AccuPay will reduce your IRS 941 tax deposits by the employer FICA tax deferral and report the deferred taxes on your quarterly 941 tax returns.

- YES, we elect to postpone the employer share of the FICA taxes and instruct AccuPay to reduce our IRS 941 tax deposits accordingly---We take total responsibility for payment of these deferred taxes to the IRS at the end of years 2021 and 2022----We realize these taxes are simply postponed, NOT forgiven
- NO, we do NOT wish to defer/postpone our FICA taxes and instead prefer to pay them currently with each payroll

EMPLOYEE RETENTION CREDITS AVAILABLE FOR WAGES PAID MARCH 13-DECEMBER 31, 2020
(DO NOT COMPLETE IF YOU HAVE APPLIED FOR A PPP LOAN DESCRIBED ABOVE. THOSE WHO OBTAIN A PPP LOAN ARE NOT ELIGIBLE FOR THIS CREDIT.)

The CARES Act provides that employers can claim federal tax credits for up to 50% of the first \$10,000 of wages paid to qualifying employees IF they meet one of the following requirements of the CARES Act:

- Our operations were partially or totally suspended due to a "shut-down" order issued by a government due to the Coronavirus; OR
- Though not subject to a government shut-down order, our gross receipts, calculated by calendar quarter, are reduced by greater than 50% as compared to the same calendar quarter of 2019. We will notify AccuPay of every quarter that our gross receipts have been reduced by greater than 50% and will also notify AccuPay of the first quarter they are 80% or more in 2020 as compared to the same quarter of 2019.
- We had 100 or fewer full-time equivalent employees during calendar year 2019, based on the ACA Section 4980H definition of "full-time equivalent" (FTE) employees----IF YOU HAVE GREATER THAN 100 FTE's DO NOT CHECK THIS BOX
- Due to the complexity of the Employee Retention Credit provisions of the CARES Act, we agree that we will advise AccuPay IF we wish to claim this tax credit, and will rely on our own interpretation of whether we qualify, to include advice from our tax/HR/legal advisor as to whether we are eligible. We understand that AccuPay will claim this credit for us based on our interpretation of the employee retention tax credit provisions in the CARES Act, as it applies to the number of FTE employees we have.

I agree to the statements above and authorize AccuPay to act on behalf of my business/organization per my instructions.

Signature _____

Date _____

Please complete and return to your Payroll Specialist directly or to payroll@accupay.com.