



Take advantage of the Employee Retention Credit

On March 1, 2021, the Internal Revenue Service released Notice 2021-20, with interpretive guidance for the CARES Act and the revised Employee Retention Credit (ERC).

Last year, many employers ignored the ERC, instead choosing the Paycheck Protection Program (PPP). Initial guidance mandated participation in only one of these two stimulus programs, and at the time, the PPP was often a quicker path to getting funded.

HOWEVER, Notice 2021-20 formalized the amendments to the program, which **now allows recipients of Paycheck Protection Program (PPP) loans to retroactively participate in the Employee Retention Credit as well.** Notice 2021-23 has now expanded the program into 2021.

This means that eligible employers can now receive:

- up to \$5,000/employee paid from 3/12/20-12/31/20.
- up to \$7,000/employee per quarter for 2021.

There are hundreds of millions of dollars waiting to be claimed!

Who is eligible for 2020 & 2021?

Criteria #1: Must Issue a Formal Payroll

Employers must file Form 941s and W2s. Sole proprietors are ineligible.

Criteria #2: Eligible Employee Headcount

Employers must have below a certain number of full-time (FT) employees in 2019. NOTE: this is not the same as FT equivalents (FTEs).

- 2020 program: fewer than 100 FT employees, unlimited PT
- 2021 program: fewer than 500 FT employees, unlimited PT

Criteria #3: Must meet one (not necessarily both) of:

A: Reduced Business Receipts (Sales) for a Calendar Quarter

For example: A business with \$100,000 in sales for Q2 2019,

- Q2 2020: eligible with < \$50,000 in sales (or 50% lower)
- Q2 2021: eligible with < \$80,000 in sales (or 20% lower)

B: Must have been fully/partially shut down by government order



A "Stay At Home" order for non-essential businesses, or a capacity limit for a restaurant would meet this test. (The order is likely jurisdiction specific.) You can also have the same, or even more sales, and still qualify.



How Can AccuPay Help?

1. We will work with you and/or your CPA to help determine eligibility and wages by quarter. (CPA involvement is highly encouraged!)
2. We will prepare a form 941x for each quarter you are eligible and submit to the IRS.
3. If you are a client of AccuPay, we will monitor your online IRS transcript to ensure your 941x return and refund are processed.
4. We will continue to monitor any changes to the ERC program and communicate any new information to our clients and associates. (Ask about our PayDay Newsletters!)

Questions?

AccuPay owner and longtime CPA, Larry Shaub, has become an expert in Employee Retention Tax Credits.

Contact Larry directly at larry@accupay.com



Contact AccuPay for more information:
317.885.7600
info@accupay.com
<https://accupay.com>

