



ERC Credits and Legislative Updates

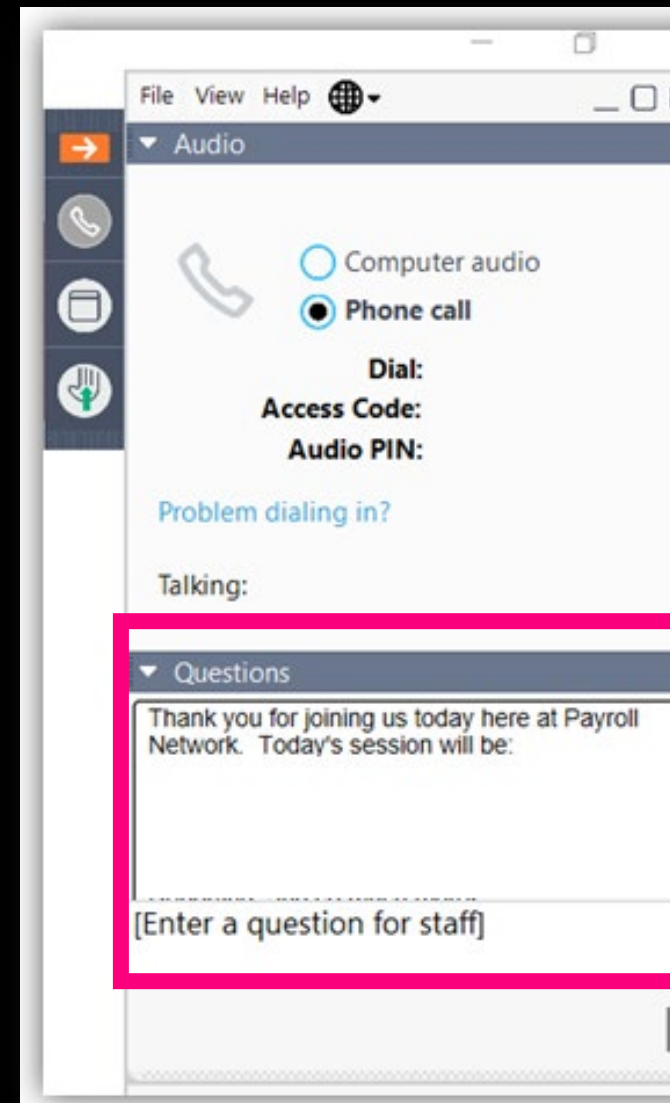
SHULMAN
ROGERS



- Webinar will be recorded
- All attendees will be placed on mute
- Ask questions!
- Survey will be sent after the webinar
- Handouts available
- Certified Course



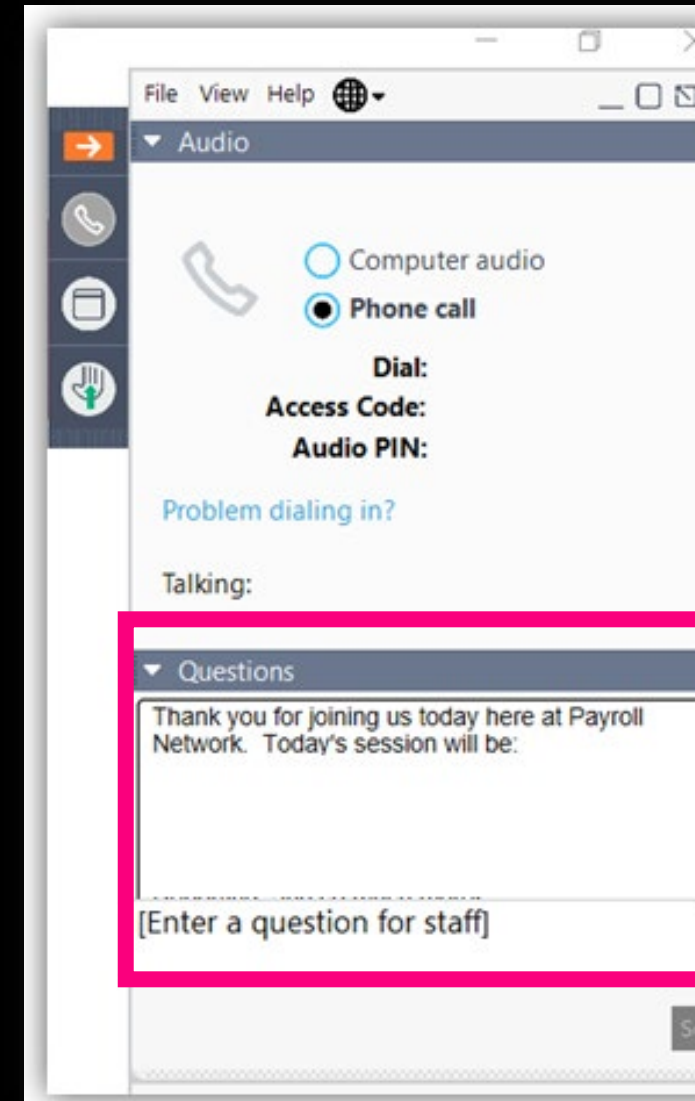
For Today's Session



SHULM
ROGE

- FAQs on ERC Credits
- Updates and Pending Legislation
- Back to Work Considerations

Agenda



SHULM
ROGE



Legal Disclaimer

The information presented today is provided for educational purposes and should not be considered legal advice.

For Employee Retention Credits, it will be important for you to qualify you are eligible for the credits. Your CPA and Legal Advisors will be able to assist. Payroll Network cannot qualify that you are or are not eligible.

Your Presenter's Today



Amy Miller

- VP of Training
- Payroll Network/GovConPay



Kyle Wade

- VP of HR Services
- Payroll Network/GovConPay



Bob Canter

- Shareholder
- Shulman Rogers



[This Photo](#) by Unknown Author is licensed under [CC BY](#)

Employee Retention Credits

Frequently Asked Questions



SHULMAN
ROGERS

What is the Employee Retention Tax Credit?

ERTC / ERC

- COVID Legislation to encourage employers to keep employees on the payroll as they navigate the effects of COVID-19. Eligible employers can get a refundable payroll tax credit equal to a percentage of eligible wages.
- Current eligible to claim through 4th Qtr of 2021*

* Pending legislation may end this early to aid in recent 2021 Infrastructure Bill – passed by the Senate at this time in early August

<https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>

What businesses are eligible for the ERC?

- The organization must be carrying on a trade or business in 2020 and meet one of the following two criteria:
 - **Full or Partial Suspension Due to Government Order**
 - **Significant Decline in Gross Receipts**

What is the eligibility timeframe?

2020 and 2021

2020	2021
For 2020, wages under this provision mean wages paid for employment when the employer is deemed to be an eligible employer from March 13, 2020 to December 31, 2020.	For 2021, wages under this provision mean wages paid for employment when the employer is deemed to be an eligible employer from January 1, 2021 to December 31, 2021.

What is a Significant Decline in Gross Receipts?

2020 and 2021

2020	2021
The Quarterly Revenue must show a decline of more than 50% of gross receipts to the same quarter in 2019.	The Quarterly Revenue must show a decline of more than 20% of gross receipts to the same quarter in 2019.

What employees can I claim the credit for?

Small vs. Large Employer

- The number of employees an employer has does not affect whether it is an Eligible Employer that may claim the credit however, the amount of credit you receive is affected:

2020	2021
Employers with less than 100 Full-time employees.	Employers with less than 500 Full-time employees.

* This is based on the average employee count in 2019

How long can I claim the ERC Credit?

Partial or Full Suspension of Operations

- For the period that the full or partial shutdown was in effect.

Revenue Decline

- For the entire quarter, with the first significant decline in gross receipts ("initial quarter"), and for at least the following quarter ("subsequent quarter"). Therefore, at least two quarters of wages will be able to be claimed.

How much in credit can I get for each employee?

2020	2021
The maximum qualified wages equal 50% of qualified wages up to \$10,000 per year, per employee for 2020.	The maximum qualified wages equal 70% of qualified wages up to \$10,000 per quarter, per employee for 2020.
Maximum is \$5,000 per employee (per Year)	Maximum is \$7,000 per employee (per Qtr)

How do I confirm the amount of credits?

- Employee Retention Report

Client Reports

Report Category: All ▼

Search: Filter

Output Name	Report Type
CARES Act Retention Credit Report < 100 ees (2020)	By Payroll Run
CARES Act Retention Credit Report < 500 ees (2021)	By Payroll Run
CARES Act Retention Credit Report > 100 ees (2020)	By Payroll Run
CARES Act Retention Credit Report > 500 ees (2021)	By Payroll Run

[Generate Report](#) [Go To My Reports Queue](#)

Once your report request has been submitted you can do any of the following: Run another report, go to My

CARES Act Retention Credit Report < 100 ees (2020)

Draft disclaimer: The use of this report requires you to accurately determine, calculate, and enter the qualified wages and qualified health plan expenses eligible for the Employee Retention Credit as defined by the CARES Act and the IRS.

Filtering

Company: 4062 - Culta LLC ▼

Pay Group: Salary ▼

Payroll: Regular Payroll - Pay Date: 8/6/2021 (Run #194) ▼

Sorting

Org Display 1: ▼

Org Display 2: ▼

Sort Field 3: ▼

Scheduled Sort: None

Options

☐ Add Report to Archive

Important Wage Details

PPP Loans Pay Periods

FFCRA Sick and ARPA Sick Payments

Work Opportunity Tax Credits

Severance

Wages cannot be
used for Retention
Credits on payrolls
where other credits
have been utilized



How is the ERC claimed?

- First, credits need to be entered into your system.
- Current Quarters can utilize the Form 941
- Previous Quarters will need to complete a Prior Quarter Adjustments and complete a 941x.
- Form 7200 as an option – must be sent prior to filing Form 941

Recent IRS Notice 2021-49

The IRS has been busy in August 2021 providing new guidance.

IRS issued Notice 2021-49 provides guidance for third and fourth quarters of 2021, addresses the new programs and also amplifies previously issued notices 2021-20 and 2021-23 clarifying many of our unanswered questions.

[Notice 2021-49](#)

Other Notices:

- [Notice 2021-20](#)
- [Notice 2021-23](#)



IRS Notice 2021-49

- Expanding the definition of eligible employer to include "recovery startup businesses."
- Modifying the definition of qualified wages for "severely financially distressed employers."
- If you are receiving ERTC credits for 2020, you must reduce 2020 wages for the credits received. If you have already filed your 2020 income tax return, you will have to amend that return.
- Monthly "tip" wages of \$20 or more are potential ERTC wages and both ERTC and the tip credit can be potentially taken on the same wages.
- Part-time employees are not included in the number of employees to determine small or large employer status
- Whether wages paid to majority owners and their spouses may be treated as qualified wages.

Revenue Procedure 2021-33

- The IRS also has issued Revenue Procedure 2021-33 which provides a safe harbor for calculating gross receipts and permitting employers to exclude certain amounts from gross receipts solely for determining eligibility for the ERC. These amounts are:
 - The amount of the forgiveness of a Paycheck Protection Program (PPP) Loan;
 - Shuttered Venue Operators Grants under the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act; and
 - Restaurant Revitalization Grants under the American Rescue Plan Act of 2021.

<https://www.irs.gov/newsroom/treasury-irs-provide-gross-receipts-safe-harbor-for-employers-claiming-the-employee-retention-credit>

Other Work Considerations- COVID-19



SHULMAN
ROGERS

Free and Extended COBRA

From April through September 2021, free COBRA coverage is available for employees (and their covered family members) who lost group health insurance due to an involuntary termination or reduction in hours.

Expires on 9/30/2021

COBRA Coverage



Updated OSHA/CDC COVID-19 Guidance

Recommendations for fully vaccinated people

- Wearing a mask in public indoor settings in areas of substantial or high transmission
- Choosing to wear a mask regardless of level of transmission, particularly for those at risk or near those not vaccinated
- Getting tested 3-5 days following a known exposure to someone with suspected or confirmed COVID-19 and wearing a mask for 14 days after exposure or until a negative test result

CDC recommends all teachers, staff, students, and visitors to K-12 schools mask regardless of vaccination status to help with prevention.

CDC still requires masks on public transportation and inside transportation hubs.

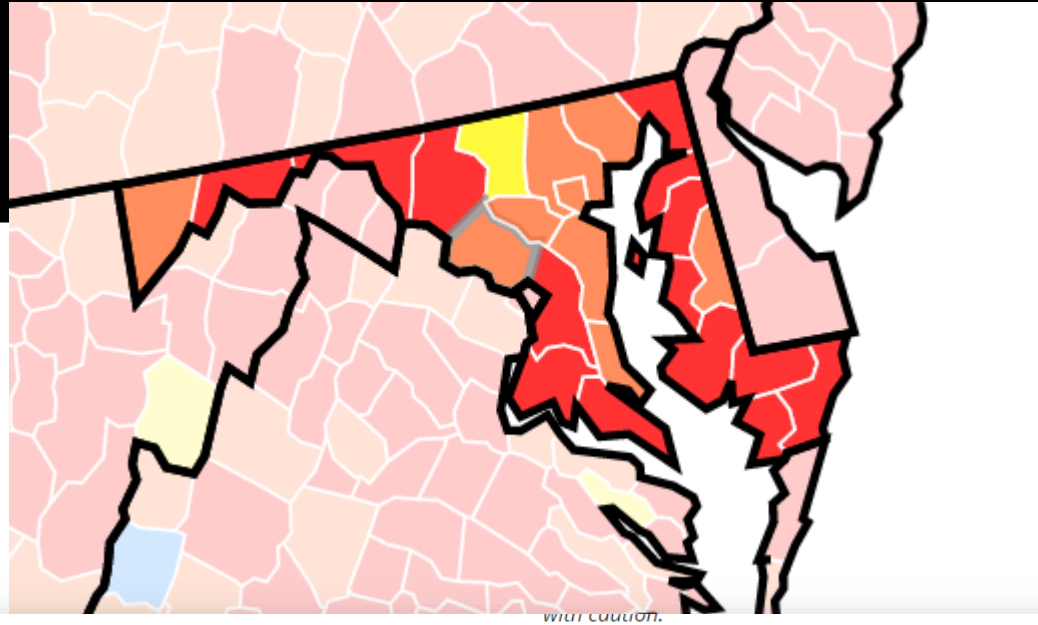
How to Protect Yourself at the Workplace

- Get a COVID-19 vaccine as soon as possible.
- Properly wear a face covering over your nose and mouth especially if your job is indoors.
- Unless you are fully vaccinated and not at-risk, stay ~6 feet away from others.
- Take advantage of any teleworking or flexible schedule options if available from your employer and hold meetings, take breaks, and perform work tasks virtually or outdoors if possible.
- Practice good personal hygiene and wash your hands often. Always cover your mouth and nose with a tissue, or the inside of your elbow, when you cough or sneeze.
- Monitor your health daily and be alert for COVID-19 symptoms.
- Get tested regularly, especially in areas of substantial or high community transmission*.

CDC COVID Tracker

CDC COVID Data Tracker

- Great resource to show state and even county specific details
- Level of Community Transmission can be Low, Moderate, Substantial, and High



People Vaccinated	At Least One Dose	Fully Vaccinated
Total	833,411	756,601
% of Total Population	79.3%	72%
Population ≥ 12 Years of Age	833,301	756,559
% of Population ≥ 12 Years of Age	93.5%	84.9%
Population ≥ 18 Years of Age	759,822	694,717
	94%	85.9%
	168,114	158,585
% of Population ≥ 65 Years of Age	99.7%	94%
See more information on what these data mean.		

<https://covid.cdc.gov/covid-data-tracker/#county-view>

Mask/Vaccine Mandate Updates

- Employers nationwide (Facebook, Google, Ford, Walmart, Disney) are starting to implement mandatory COVID-19 vaccine requirements.
- Permitted by the EEOC if reasonable accommodations are offered for those with disabilities or sincerely held religious beliefs.
- If this is listed as a condition of employment, discipline up to termination can be a consequence for not adhering to a valid vaccination policy.



The Latest Considerations for Employers

- Determine whether to mandate COVID-19 vaccine or consider increasing vaccination rates through incentives
- Consider instituting or updating current COVID-19 vaccination policies
- Review EEOC guidance to ensure accommodations are available (disabilities or religious objections)
- Review policies and process for proper handling of accommodation requests
- Keep and treat employee vaccination status as confidential medical information
- Monitor CDC and OSHA websites for updated guidance (and adjust policies accordingly) to help with masking and social distance guidelines
- Keep informed of any local public health rules and regulations on masking
- Train supervisors and managers on COVID-19 policies

Questions?



Upcoming Webinars

Vaccine Protocols and Returning to Work – 8/25 – 1:00pm EST

Roll With Us – Cannabis and the Workplace – 8/26 1:00pm EST



**Continue to visit our website for
training/blog posts/webinars, etc.**

payrollnetwork.com

support@payrollnetwork.com

hradvisor@payrollnetwork.com

STAY TUNED FOR MORE UPDATES SOON

