

EMPLOYEE RETENTION TAX CREDIT

ERTC



PROPEL CONSULTING GROUP
— BUSINESS GRANTS CONSULTANTS —

EMPLOYEE RETENTION TAX CREDIT (ERTC) SERVICES OVERVIEW

The Employee Retention Tax Credit (ERTC) was created as part of the CARES Act to encourage businesses to continue paying employees by providing a credit to the eligible employer for wages paid to eligible employees. Recent changes allow the ERTC to be utilized even by companies that received PPP loans.

What we offer and the services we provide

- Determine if the employer qualifies, and if so, for which quarters
- Determine which employee wages qualify
- Calculate credits, including estimates for current and future quarters
- Prepare form 941X for the employer to submit to IRS to receive refunds or provide all necessary documents to have your provider prepare the forms.
- Quantify the positive cash flow after claiming the credits and all amended tax returns
- Reconcile actual credits received with credits requested if there is a discrepancy
- Prepare reconciled data for Form 941-X
- Provide the completed computations and justification for qualifications as preliminary audit support

ERTC ELIGIBILITY

Recipients of PPP loans are now eligible to qualify retroactively for the credit in 2020 and 2021.

For 2021, there is a maximum credit of \$7,000 per eligible employee **per quarter**. The 2021 credit is computed at a rate of 70% of qualified wages paid, up to \$10,000 per eligible employee **per quarter** for the first three quarters through September 30, 2021. For Eligible Employers with less than 500 average full-time employees in 2019, the credit is available for **all** employees receiving wages in 2021

For 2020, there is a maximum credit of \$5,000 per eligible employee. The 2020 credit is computed at 50% of qualified wages paid, up to \$10,000 per eligible employee for the year. For Eligible Employers with less than 100 average full-time employees in 2019, the credit is available for **all** employees receiving wages in 2020

An Eligible Employer (including all members of a control group) must either:

1. Have their operations fully or partially suspended due to orders from a governmental authority, suffered challenges due to the pandemic, customer, employee, supply chain issues, etc. **OR**
2. Suffer a significant decline in quarterly gross revenue as measured against 2019, 50% decline for 2020 20% decline for 2021.

QUESTIONS?

Q: For ERTC eligibility, does the company need to calculate full-time equivalents or just the total of all full-time employees and exclude part-time employees?

A: For ERTC, unlike PPP, the employee threshold is determined by looking at full-time employees rather than full-time equivalents. A full-time employee, in this case, is defined as someone working an average of 30 hours per week or 130 hours per month

Q: What medical benefits can we include for ERTC?

A: Health care costs that employers pay on behalf of their employees to provide and maintain a group health plan can be included as eligible costs for determining the credit to maximize the refund.

Q: If my revenue went up during 2020 and 2021, I don't qualify.

A: Wrong; you may qualify based on other criteria the IRS released in a technical notice. As incentive professionals, we will use every opportunity to qualify you for the refunds.

**For a government shutdown, the credit becomes eligible on wages and health care costs paid during that period of time the shutdown is in effect. Additional rules apply for commonly controlled groups. On March 19, 2020, Gov. Gavin Newsom issued a statewide stay-at-home order. On March 22, 2020, a federal state of emergency was declared. January 25, 2021, stay-as-home orders for all regions of California are lifted.*

FIND OUT IF YOU QUALIFY

GET MY ERTC REFUND

Or follow the QRC below

