

# Employee Retention Credit

|  | 2020   | 2021   |
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| <b>Eligible Employer</b><br>Business operations were fully or partially suspended due to government order limiting commerce, travel or group meetings due to COVID-19              | No employer size restriction   | Same   |
| <b>And/Or</b><br>Gross receipts in any quarter compared to the same quarter in 2019  | <= 50%   | <=80%  |
| <b>Gross Receipts</b><br>Total sales less returns and allowances plus interest, dividend, rent, royalties and annuity income plus assets sold (only required to include the gain). | Business continues to be eligible for each successive quarter until the quarter following the quarter in which their gross receipts are greater than 80% when compared to the same quarter in 2019   | Business is eligible if the quarter prior to the current quarter or the current quarter's gross receipts are 80% or less when compared to the same quarter in 2019 |
| <b>Aggregation Rules Apply</b><br>Aggregated employers treated as a single employer for all aspects of the ERC (>50% common ownership)   | Yes  | Yes  |
| <b>Qualified Wages</b><br>Employer Size  | 100 or fewer average full-time employees (full-time is defined as anyone working 30 hours or more per week or 130 hours per month)   | 500 or fewer average full-time employees (full-time is defined as anyone working 30 hours or more per week or 130 hours per month)                                 |
| <b>Qualified Wages</b><br>Excluded Wages   | Any wages for which the employer claimed FFCRA paid sick leave or expanded FMLA leave, wages used for forgiveness of PPP loans, preexisting paid time off, severance pay.  | Same   |
| <b>Qualified Wages</b><br>Excluded Owner Wages   | Any wages for which the employer claimed FFCRA paid sick leave or expanded FMLA leave, wages used for forgiveness of PPP loans, preexisting paid time off, severance pay.  | Same   |
| <b>Qualified Wages</b><br>Excluded Wages   | Wages for anyone a direct ownership percentage greater than 50% including indirect ownership through attribution rules and all individual that are within the attribution rule grouping (spouse, children, parents, brothers, sisters, etc.) | Same   |
| <b>Qualified Wages</b><br>Gross wages plus employer health care costs  | Max \$10,000 Per Year  | Max \$10,000 Per Quarter   |
| <b>Rate of Credit</b>  | 50%  | 70%  |
| <b>Max Credit</b>  | \$5,000 Per Year Per Employee  | \$7,000 Per Quarter Per Employee (\$28,000 Per Year)   |

\*Updated through law changes before 3/24/2021

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