

EMPLOYEE RETENTION TAX CREDIT (ERTC)

Have you claimed yours?

- Mark Young – CEO & Co-Founder

YOUR HOST

ERTC – WHAT IS IT...

- Born out of the COVID legislation (CARES Act) and later modified by a raft of other legislation (Relief Act, Rescue Plan Act, and the Infrastructure Act)
- Provides tax credits to employers
- Credits are refundable credits for employee wages paid

ERTC BENEFITS

- Up to \$26,000 per employee!
- Refundable Credit of up to \$5K per employee for qualified wages paid from 3/15/20 to 12/31/20
- Refundable Credit of up to \$7K per employee for qualified wages paid between 1/1/21 and 9/30/21
 - The \$7K is **per quarter**
 - That means that there is up to \$21K available per employee for wages paid in the applicable time period in 2021

ELIGIBILITY RULES...


- An employer may be eligible if the employer can show either:
 - its business operations were fully or partially suspended due to a COVID-19 governmental order; or
 - its gross receipts in 2020 and/or 2021 decreased a sufficient amount relative to prior employment calendar quarters. (different test based upon year applying for)

SIGNIFICANT DECREASE IN GROSS RECEIPTS (2020)

Whether the employer had a significant decline in gross receipts in any quarter in 2020 relative to the corresponding quarter in 2019

A decline in gross receipts is significant if the decline in gross receipts in **any** quarter in 2020 is less than 50 percent of the gross receipts of a corresponding quarter in 2019

After this threshold requirement is met, the employer continues to qualify **until** gross receipts are greater than 80 percent of its gross receipts for the same calendar quarter in 2019



SIGNIFICANT DECREASE IN GROSS RECEIPTS (2021)

If an employer has gross receipts in any calendar quarter in 2021 that are less than 80 percent of its gross receipts for the same quarter in 2019

Special rules apply to the extent the employer was not in existence in any calendar quarter of 2019

FULL OR PARTIAL SUSPENSION OF BUSINESS OPERATIONS

Alternate method to qualify if don't meet the gross receipts test

Must show that business operations were fully or partially suspended due to a COVID-19 governmental order

Direct correlation requirement

FULL OR PARTIAL SUSPENSION OF BUSINESS OPERATIONS

CONTINUED

Government orders include:

(1) orders from a city's mayor stating that all non-essential businesses must close for a specified period;

(2) a State's emergency proclamation that residents must shelter in place for a specified period, other than residents who are employed by an essential business and who may travel to and work at the workplace location;

(3) an order from a local official imposing a curfew on residents that impacts the operating hours of a trade or business for a specified period; and

(4) an order from a local health department mandating a workplace closure for cleaning and disinfecting



ELIGIBLE EMPLOYERS

- Companies with less than 500 FTE's
 - Available to employers that paid qualified wages to employees
- Can still get ERTC if you received a PPP loan
 - Just can't get credit for wages paid with PPP loan proceeds
- Nonprofits are eligible

CLAIM YOUR CREDIT

- Even if you aren't sure, you can contact us to determine (info@myhrconsult.com)
- All we need is a payroll report for the 2nd, 3rd and 4th quarters of 2020, and the 1st, 2nd and 3rd quarters of 2021 – that shows the pay for the quarter for each individual employee
- We file all forms (if you qualify), you sign 1st page (which we send you) and we mail
- Currently, it is taking about 4-6 months to receive the credit/refund
- Upon receiving, you must notify us (even though it is public record) and we bill only 15% of the gross amount
- ACT FAST
- Sign up at <https://www.myhrconsult.com/greenshades/ertc>



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info@myhrcounsel.com