

# Employee Retention Credit (ERTC/ERC)

## EMPLOYEE RETENTION TAX CREDIT

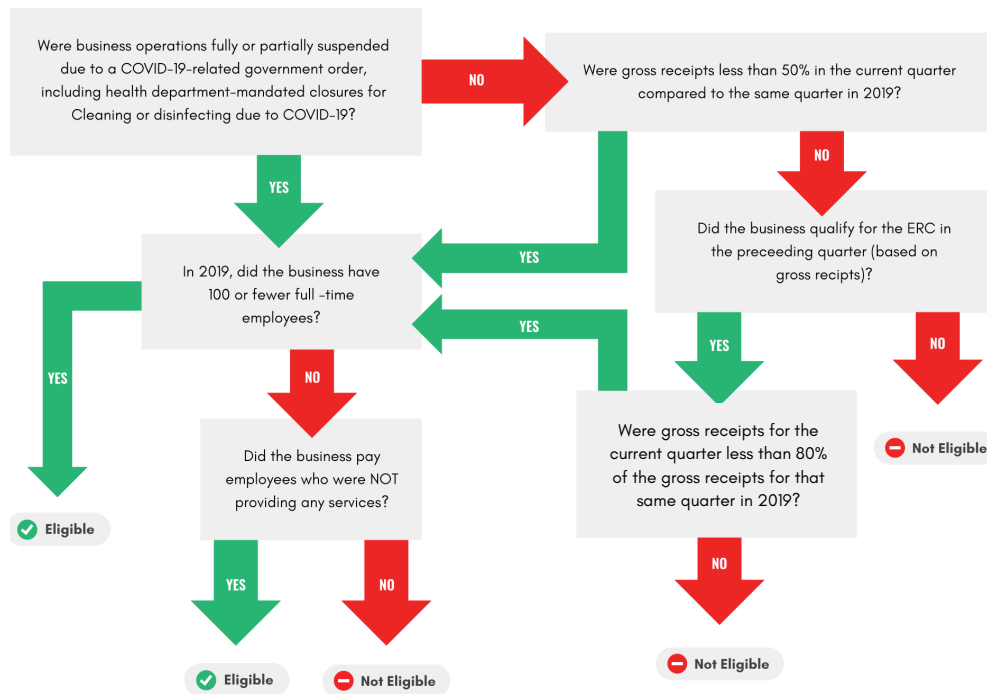
PPP Borrowers are also eligible to claim the Employee Retention Credit	The credit for <b>2020</b> is up to 50% of employee qualified wages capped at <b>\$10,000 of wages for the year</b> resulting in a maximum <b>credit of \$5,000 per employee</b>
Companies may qualify to claim the credit Q2 2020 through Q3 2021	The credit for <b>2021</b> is up to 70% of employee qualified wages capped at <b>\$10,000 of wages for the year</b> resulting in a maximum <b>credit of \$7,000 per employee</b>
Eligible companies can qualify for the credit under the revenue reduction test or being subject to partial or full suspension of business operations	<b>Maximum per employee credit is \$26,000</b> (\$5K / 2020 + \$7K 1st QTR 2021 + \$7K 2nd QTR 2021 + \$7K 3rd QTR 2021)

Retroactive to March 13th, 2020, employers may only utilize the ERC towards wages that are not paid for with forgiven PPP funds

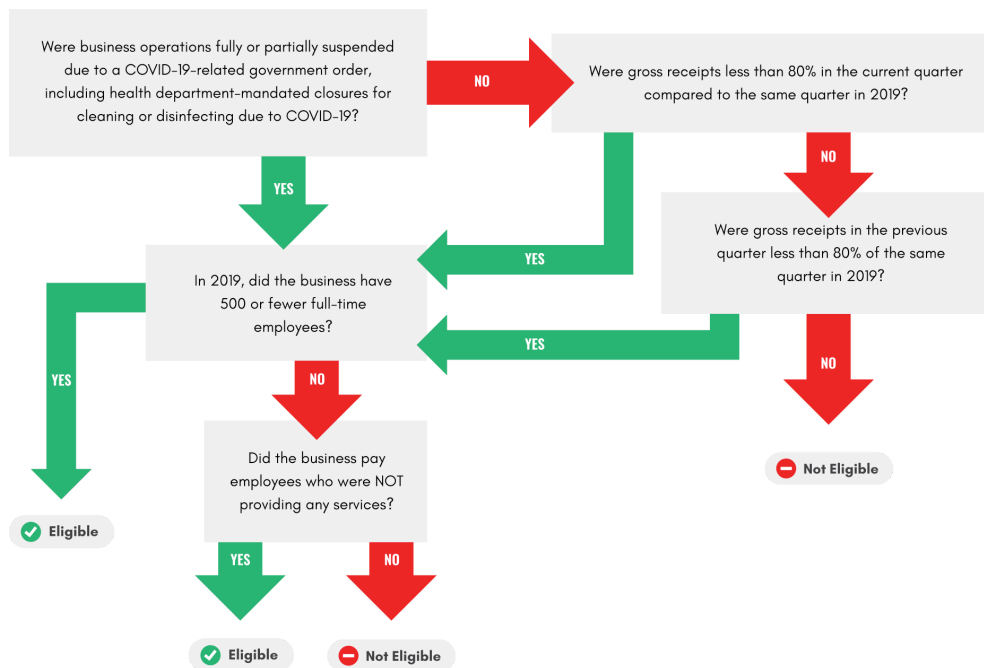
## BASIC ELIGIBILITY CRITERIA

YEAR	2020	2021
<b>ELIGIBILITY</b>	Decline in gross receipts of 50% of any quarter of 2020 compared to the same quarter of 2019 or Partial/Full suspension of operations	Decline in gross receipts of 20% any quarter of 2021 compared to the same quarter of 2019 or Partial/Full suspension of operations
<b>PARTIAL SUSPENSION</b>	Supply Chain, BD/Sales Team, Networking/Trade Shows, Personnel, Equipment	Supply Chain, BD/Sales Team, Networking/Trade Shows, Personnel, Equipment
<b>HARD HIT INDUSTRIES</b>	Restaurants, Travel, Hospitality, Manufacturers	Restaurants, Travel, Hospitality, Manufacturers
<b>BENEFIT</b>	Up to \$5,000 per employee for the year	Up to \$7,000 per employee per quarter

## 2020 ERC Eligibility Flow Chart



## 2021 ERC Eligibility Flow Chart



# Partial Suspension/Full Suspension ERC Eligibility

Both essential and non-essential businesses may qualify to claim ERC if there was a specific Governmental order, at the Federal/State/Local level that limited the company's ability to conduct business

Most governmental orders limiting business were in effect approximately March/April 2020 through May 2021

If a business operates an essential/non-essential business, and **more than a nominal portion\*** of the business is partially suspended by a specific government order, the business may qualify for ERC.

## A more than a nominal portion is...

Gross receipts for that portion of the business are not less than 10% of the total gross receipts of the taxpayer - this is tested based on the same quarter in 2019.

OR

The hours of service performed by employees in that portion of the business are not less than 10% of the total number of hours of the taxpayer, which is based on the same quarter test in 2019.

## Some characteristics we look for that may indicate partial suspension:

Inability to properly staff job sites for prolonged periods of time due to Government imposed social distancing requirements

Difficulty sourcing raw materials, parts, temporary labor due to Government mandated shut-down orders

Supply chain disruption that adversely impacted the company's ability to fulfill existing orders and commit to new orders based on a lack of required production materials/labor

Capacity restrictions within the company's own offices and manufacturing facilities leading to extended production time and lost efficiency/capacity

Lack of participation in trade show/networking events that previously contributed to the company's total Sales more than nominally

Sales/BD teams that are sidelined for extended periods of time and unable to generate new business

## Testimonials

"Having a service provider like Wiss that we can rely on for not just good tax advice but also to connect us with other services providers that understand our business sector is very important to us so we as a company can focus on our clients."

**-Arif R. Malick, P.E.  
Malick & Scherer**

"As I've gotten older, my financial affairs have grown increasingly complex. Wiss has proven to be an invaluable resource. Their guidance, depth of knowledge, experience, and careful attention to detail provide a sense of security in a rapidly changing world."

**-Steven Wils  
Business Owner**

"The Wiss tax team has provided us with invaluable technical advice over the years. Their comprehensive tax planning translated into measurable savings for our business and shareholders."

**-Craig Jackson  
Weeks Marine, Inc.**