

Employee Retention Tax Credit

The Employee Retention Tax Credit (ERTC) is designed to reimburse businesses with lost economics due to the impact of COVID on businesses in 2020 and 2021.

- ✓ **Fully Refundable Credit**
- ✓ **PPP Loan recipients ARE now eligible to claim the ERTC**

ERTC FOR 2020

- >> Credit of 50% of qualified wages
- >> Qualified wages limited to \$10,000 per year per employee
- >> Small employer capped at 100 FTEs in 2019
- >> Decline in gross receipts threshold at 50% compared to 2019

ERTC FOR 2021

- >> Credit of 70% of qualified wages
- >> Qualified wages limited to \$10,000 per quarter per employee
- >> Small employer capped at 500 FTEs in 2019
- >> Decline in gross receipts threshold at 20% compared to 2019



Am I eligible for this tax credit?

You can qualify under one of the following criteria:

- >> If you had a full or partial shutdown due to orders from a government authority or
- >> During any quarter in 2020 you had a decline in your gross receipts compared to 2019

What if I took advantage of the Paycheck

Protection Program? PPP loan recipients are eligible to claim the ERTC, however there are significant coordination requirements if you participated in both Programs. Clarus will navigate the nuances to make sure you comply with both programs.

How much tax credit am I eligible for? Clarus can assess the opportunity with the following items:

- >> Employee wages for Q1 and Q2 2020
- >> Q2 2020 Form 941
- >> PPP Loan Forgiveness Application (Form 3508)

What deliverable will I receive if I use Clarus?

- >> Amended Form 941 to file with the IRS
- >> Credit Computation
- >> Audit ready tax opinion to protect against potential penalties

What will this cost me? No upfront cost – fee based on % of your credits...for example no credit = no fee

The Clarus team helps employers execute and optimize federal tax incentive programs.