

A photograph of two business professionals, a man and a woman, standing in a modern office with large windows. They are looking out the window, and their reflections are visible on the polished floor. The man is on the left, wearing a dark suit, and the woman is on the right, wearing a light-colored top and dark skirt. The scene is lit with soft, natural light from the window.

***The No. 1
Absolute Guide to
The Employee
Retention Credit***

508-514-1488

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UNDERSTANDING THE EMPLOYEE RETENTION CREDIT

The Employee Retention Credit is a refundable tax credit that could be worth up to \$5000 per employee in 2020, and \$28,000 per employee in 2021. It was passed as part of the original Cares act in March of 2020, but the rules for qualifying have changed in December of 2020, and again in March of 2021. With every change the rules for qualifying have become easier, and the amount of time you can claim it for has increased. A business that has only 5 employees could be eligible for \$160,000. We have worked with some businesses that were eligible for over \$500,000 and had no idea.



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PPP VS ERC

The Covid pandemic has created unrepresented hardships for American Small Businesses, but thankfully Congress created a relief bill that offered some relief to Millions of individuals and businesses around the country. The Paycheck Protection Program was a forgivable loan available to small businesses to help keep their employees on Payroll during uncertain times. It was highly publicized in the media, and was a very successful program, leading congress to expand the program to allow businesses to take out a second draw forgivable loan. When Congress originally created the program businesses had to choose between getting the ERC, and the PPP, and most businesses took the PPP loans since the funds were faster, and easier to get. However, in December 2020 the IRS changed the Employee Retention Program to allow you to get the ERC funds even if you had already received 1st and 2nd draw PPP loans as long as the money from the PPP loan paid for wages is not included in the ERC calculation. This means even if you received PPP loans you are also eligible to receive all or most of the Employee Retention Credit as well.



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Do you qualify for the Employee Retention Program?



Did your business have employees that were paid through payroll?

- Yes**
- No**
- Not Sure**

Did your business have a full or partial shutdown in any quarter of 2020, or 2021, or did you see a drop in revenue in any quarter from your 2019 numbers?

- Yes**
- No**
- Not Sure**

If you answered yes to both of those questions, then you might qualify. Also, many businesses were partially shutdown because of government orders during some quarters of 2020 and 2021 without even realizing. We do a full review of your revenue or P & L reports, as well as all applicable federal, state, and local shutdown orders to find out if you qualify.

How to Apply for the Employee Retention Credit



The application for the Employee Retention Credit isn't easy, we are talking about the IRS here, easy isn't in their DNA. It requires a skilled accountant to look through your Revenue Statements, Payroll Reports, and PPP loan applications in order to amend your Quarterly Payroll Tax Returns (941's).

Just send us the documents, and we will do the rest.

Here at A & A Accounting, we have skilled accountants that are up to the task. We create a detailed eligibility report that includes the complex calculations, the list of eligible wages, the exclusions etc. If you are looking for a big fat check from Uncle Sam, he requires solid documentation.

4-6 months later you will be receiving several large checks from the IRS.

We do not charge anything upfront. We are so confident that your business will get this money to which it is entitled. When you receive your money from the IRS, our commission is a flat 10%. The other 90% can be used to give yourself a bonus or grow your business.



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