



EMPLOYEE RETENTION CREDITS (ERC)

THE CARES ACT QUICK TAKES



To qualify, Employer must either:

- 1) fully or partially suspend operations during any calendar quarter in 2020 due to a government order limiting commerce, travel, or group meetings due to COVID-19; **or**
- 2) experience a significant decline in gross receipts during the calendar quarter.

The credit equals 50% of qualified wages (including qualified health plan expenses)

- If Employer averaged **more than 100 full-time employees** in 2019, qualified wages are the wages paid to an employee for time that (s)he is not working due to either (1) or (2) above.
- If Employer averaged **100 or fewer full-time employees** in 2019, qualified wages are the wages paid during any period of economic hardship described in (1) and (2) above.

Maximum amount of qualified wages taken into account for all calendar quarters (3/1/20–1/1/21) is \$10,000 per employee. Maximum credit is \$5,000 per employee.

Employers must choose between the ERC and PPP, but may claim ERC with an EIDL.

For more information visit: <https://bit.ly/34wjOSq>



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