

# Employee Retention Credit (ERC)

PREPARED BY  
**HIREtech**

## WHAT IS THE ERC?

On March 27, 2020 President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). It provides \$2 trillion in measures to offset the impact of COVID-19, with direct support to individuals and businesses. The Employee Retention Credit (ERC) is a part of the CARES Act. It is a fully refundable tax credit that incentivizes employers to retain their staff during the Coronavirus pandemic by providing specific tax relief.

## AM I ELIGIBLE? IF SO, HOW MUCH CREDIT WILL I RECEIVE?



Offset your payroll tax and get cash back for credits above your payroll tax liability. This credit is refundable, meaning if you qualify for \$50,000 in credit and only owe \$8,000 in payroll taxes, you get a \$42,000 cash refund advanced to you before the end of the quarter.

The tax credit is equal to **50%** of wages and compensation. There is an overall limit on wages per employee of \$10,000 with a maximum credit of **\$5,000** per employee. The credit is available through December 31, 2020.

There are no limitations on how you can spend the cash, and no arbitrary payroll benchmarks to establish.



Employers are eligible if their business operations have been fully or partially suspended as a result of a government order,

**OR**

If the business experiences a 50% reduction in quarterly receipts compared to the same quarter in 2019 (as a result of COVID-19).



For employers with less than **100** full-time employees, the tax credit is for wages paid to all employees. For example, if you have 90 full-time employees and 200 additional part-time employees the entire payroll is eligible up to the maximum credit per employee.

For employers with more than **100** full-time employees, the tax credit is for wages paid to employees who are being paid and not working. There is no limit on the number of employees or the size of your company that prevents you from taking your credit.

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## HOW MUCH MONEY WILL I GET?

As Tax Credit experts, HIREtech is positioned to help you navigate this new credit option and other COVID-19 driven cost savings and tax credits. We have developed a **COVID-19 Tax Credit Analyzer**. The Analyzer intelligently factors in wages paid, shutdown days, employment levels, and other factors to calculate your potential savings.



To run the numbers for yourself, go to [covid19.hiretech.com](https://covid19.hiretech.com)

## WHAT ABOUT THE PAYCHECK PROTECTION PROGRAM (PPP)?

Though the PPP was a great program, continued funding is uncertain. Whether your business was in process of obtaining a loan or has been denied access to PPP funds, the ERC can result in similar cash benefits to your business. With no limits on how you use the funds, you are not forced to undo tough decisions regarding employees that were terminated. The flexibility of the ERC for an owner is unmatched and allows you to work diligently to get revenue back on track.

Once you receive PPP funds in your bank account, you can no longer qualify for the ERC.

***Get cash back for those employees you retained and are helping you through this difficult time.***

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## WHAT ARE THE CALCULATION PITFALLS?

Navigating the complexities of this new credit with the various legislative wage offsets can be difficult.

*Did you know that businesses can't:*



## BUT YOU CAN...

Ht

Take multiple tax credits for the same employee. Our technology has been updated to reflect these complex calculations and allows you to maximize your tax credits **NOW** and in the **FUTURE**.

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## THE HIREtech ADVANTAGE



### 1. TIME

Your business needs money to stay afloat now. HIREtech will expedite the various forms and calculations for your business and eliminate payroll tax owed **AND** receive cash refunds from the IRS every 30 days by filing the **Form 7200**. HIREtech will coordinate with your payroll provider to properly calculate and file your quarterly 941's. Some payroll providers are unable to file the new **Form 7200**, HIREtech can help expedite your cash advance.



### 2. WOTC AND COVID CREDITS OFFSET

The same wages that are used for the WOTC program are used for the ERC. Our system is designed to accommodate the offset, even pushing wages towards maximizing the more valuable program's calculations first, before pushing wages into the lesser of the two programs (*i.e.* ERC > WOTC). You can take multiple tax credits of the same employee, but cannot overlap wages. Our tax credit technology handles these calculations for you.



### 3. OPERATIONAL REVENUE TRACKING

Employees claimed as part of the ERC under operational revenue qualification will need to have their calculations continued quarter to quarter, tracking when revenue and individual locations locked down return to normal. Our comprehensive report will establish and simplify the many complex factors that establish the calculation and various shut down variables by location.



### 4. DATA FEEDS

We have data integrations with most of the large payroll companies and many smaller providers, which allows us to expedite credit identification and generation. Our client service teams will handle this process for you so you can focus on running your business. In addition (bearing in mind the need to securely manage your workforce data to enable credit maximization), HIREtech has been built from the ground up for security and availability. We are fully SOC 1 Type 2 and SOC 2 Type 2 compliant and we take the privacy and security of your data and credit calculations as serious as you do.

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## WHY CAN'T I DO THIS MYSELF?

You certainly can. However, with over 15 years of tax credit expertise we know what to expect when this pandemic is behind us.

Scrutiny on these programs is lax now due to the sudden nature of the COVID-19 pandemic. However, this will not remain the case. It has already been implied that auditing of program recipients will become a major focus for the IRS. Like similar programs in the past, it is tempting to go at it alone, but it is inevitable the IRS will begin to look into the data and inspect tax payers to validate eligibility and accuracy. There is nothing to fear if you have the right tax credit company behind you with experience preparing contemporaneous documentation.

### *Just a few quick highlights of HIREtech's tax credit offering:*

- HIREtech establishes and documents the shutdown times by industry, geography, and qualified employee.
- Through a survey/questionnaire provided to each client, HIREtech establishes clear proof of eligibility, tracking operational revenue benchmarks (when applicable) and documenting details around employees that were paid and did not work (when applicable).
- Accurately calculate and maximize the various tax credit wage offsets.
- Provide a comprehensive COVID-19 tax credit report package to create peace-of-mind.
- HIREtech includes Audit Defense on all projects at no additional cost.

***We stand behind our work so you can get your people back to work.***

*The stakes are too high for you to use a firm that doesn't have the legal or tax credit expertise you need to maximize your relief.*

**Contact HIREtech today.**  
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