



Employee Retention Tax Credit

The *CARES Act* provides a fully-refundable payroll tax credit for up to 50 percent of employee wages and certain health benefits, paid to employees during the COVID-19 crisis.

- Businesses, including nonprofit organizations, that have experienced either full or partial suspension of operations due to a government order are eligible for the credit.
- Employers that have experienced at least a 50 percent reduction in quarterly receipts on a year-over-year basis also are eligible.

Employers with fewer than 100 full-time employees. All employee wages are eligible for a 50 percent credit, including wages for furloughed employees.

Employers with more than 100 full-time employees. Wages paid by the employer to employees who are not providing services due to business suspension or a reduction in quarterly receipts are eligible.

The credit is limited to \$10,000 per employee and covers wages paid between March 13, 2020, and December 31, 2020.

Employers receiving assistance through the SBA's Paycheck Protection Program are *not* eligible for the Employee Retention Credit. Business owners will have the ability to determine which form of assistance would be the best option.