

ERC Today



Employee Retention Credit Program Outline

Calculating with HigherUp allows for clients to accurately maximize this credit. Reach us for more information 310-694-5821

Eligibility Criteria 2020 ERC Program 2021 ERC Program	Eligibility Criteria 2020 ERC Program 2021 ERC Program	Eligibility Criteria 2020 ERC Program 2021 ERC Program
Employer Type	Must issue W2s and file Form 941s (Self-employed individuals are ineligible)	Must issue W2s and file Form 941s (Self-employed individuals are ineligible)
Employer Size (threshold is based on average number of full-time employees in 2019)	Must have averaged fewer than 100 FT employees in 2019; unlimited PT employees	Must have averaged fewer than 500 FT employees in 2019; unlimited PT employees
Economic Impact Criteria Must meet one of		
A) Reduction in Sales	Sales for a calendar quarter are down 50% when compared to the same quarter of 2019	Sales for a calendar quarter are down 20% when compared to the same quarter of 2019
B) Full-or-partial government shutdown	This can be a “Stay-At-Home” mandate, or government-ordered capacity restriction. NOTE: if this criteria is met, sales can be the same, or even more, without impacting eligibility.	This can be a “Stay-At-Home” mandate, or government-ordered capacity restriction. NOTE: if this criteria is met, sales can be the same, or even more, without impacting eligibility.
Program Benefits 2020 ERC Program 2021 ERC Program	Program Benefits 2020 ERC Program 2021 ERC Program	Program Benefits 2020 ERC Program 2021 ERC Program
Refundable credit	50% of wages, up to \$10,000 per employee per period	70% of wages, up to \$10,000 per employee per period
Credit period	3/12/2020 - 12/21/2020	Q1, Q2, Q3, and Q4
Maximum Credit for each period	\$5,000 per employee for entire credit period	\$7,000 per employee per quarter
Maximum Credit per employee	\$5,000 per employee	\$28,000 per employee
Program Duration	The Employee Retention Credit ended in the 4th quarter of 2021. Eligible businesses are still able to file for previous quarters they qualified in.	