

The Employee Retention Credit (ERC) is a refundable payroll tax credit that is available to employers who meet certain criteria as laid out in the Consolidated Appropriations Act, 2021. If eligible, recipients of the ERC may:

- For Tax Year 2021: Receive a credit of up to 70% of each employee's qualified wages.
 - This means an employer could claim up to \$7,000 per quarter per employee, or \$21,000 per employee for 2021.
- For Tax Year 2020: Receive a credit of up to 50% of each employee's qualified wages, up to \$5,000 for the year.

2020 March 13, 2020 – December 31, 2020	2021 (Q1 and Q2) January 1, 2021 – June 30, 2021	2021 (Q3) July 1, 2021 – September 30, 2021
Eligible employers must have between 1 – 100 W2 employees (excluding the owners)	Eligible employers must have between 1 – 500 W2 employees (excluding the owners)	Eligible employers must have between 1 – 500 W2 employees (excluding the owners)
Eligible businesses must have been in operation before February 16, 2020	Eligible businesses must have been in operation before February 16, 2020	It is possible to be eligible if you started your business after February 15, 2020; if your gross receipts are under \$1M, you may qualify as a Recovery Startup Business
The maximum credit amount per employee is \$5000 for the year	The maximum credit amount per employee is \$7000 for the quarter (\$21,000 for the year)	The maximum credit amount per employee is \$7000 for the quarter (\$28,000 for the year)
Credit is 50% of qualified wages	Credit is 70% of qualified wages	Credit is 70% of qualified wages
To qualify for ERC, you must see a decline of 50% in gross receipts when comparing corresponding quarters in 2020 and 2019	To qualify for ERC, you must see a decline of 20% in gross receipts when comparing corresponding quarters in 2021 and 2019	To qualify for ERC, you must see a decline of 20% in gross receipts when comparing corresponding quarters in 2021 and 2019

HRO Fees for calculating and processing ERC Credits are as follows:

Current HRO HR/Payroll clients - 5% of the credit amount / Non Clients - 15% of the credit amount

[Access ERC Credit Calculator](#)

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