

SobelCo Article

“Employee Retention Credit Modification per the Consolidated Appropriations Act of 2021”

2020 ERC – CARES Act	2021 ERC Modifications - CAA
Excluded for those with PPP loans	Available to those with PPP loans – Qualified wages paid after March 12, 2020 and ; however, payroll costs used for ERC reduce PPP payroll costs for loan forgiveness
Available for wages paid after March 12, 2000 and before January 1, 2021	Expansion provisions begin for wages paid on January 1, 2021 through June 30, 2021
Credit calculated based on 50% of qualifying wages; capped at \$10,000 for the 2020 calendar year	Credit calculated based on 70% of qualifying wages; capped at \$10,000 per QUARTER for each of the first two 2021 calendar quarters
Capped at a \$5,000 credit per employee	Capped at a \$7,000 credit per employee, per quarter (\$14,000 total for the first two quarters of 2021)
Quarter over quarter gross receipts decline of 50% from 2020 to 2019 used to help determine eligibility to take the credit	Quarter over quarter gross receipts decline of 20% from 2021 to 2019 used to help determine eligibility to take the credit
Large employer limits based on 100 full time employees	Large employer limits based on 500 full time employees
No governmental entities could qualify for the credit	Colleges, universities, and certain other health related government entities can qualify
Qualifying wages increased wages by employer portion of healthcare costs	Changes language so that employer paid healthcare costs are considered eligible costs even if NO wages are paid

If you have any questions or require clarity on an issue, please reach out to your SobelCo professional by email or phone for assistance.

