

Have you applied for Employee Retention Credits?

ERC Tax Credit Eligibility 2020 & 2021

For 2020, if your business was fully or partially suspended, forced to restrict business hours, or experienced a reduction of 50% or more revenue compared to the same quarter in 2019, you may be eligible for up to \$5,000 per employee for the calendar year.

For 2021, the rules are the same as 2020, except the gross receipts impact is 20% or more (instead of 50%). Employers may be eligible for up to \$7,000 per employee for each quarter between Q1 and Q3 of 2021 (for a total of up to \$21,000 per employee).



What is ERC?

The Employee Retention Tax Credit is a refundable payroll tax credit designed to support businesses that retained their employees through the COVID-19 pandemic. The program offers up to \$26,000 per employee in tax credits for 2020 and 2021. The ERC is authorized by the CARES Act (2020) and was later expanded to help more businesses.



A PROGRAM OF



IN PARTNERSHIP WITH



Does my business qualify?

To qualify for ERC, your business must meet at least one of the following criteria:

1. Your business experienced a partial or complete suspension of operations. This includes:



Social Distancing requirements that reduced capacity



Reduction of hours of operation



Distribution delays or suspensions



Supply chain disruptions



Suspended onsite work or client meetings

2. Your business experienced a significant reduction in revenue during any quarter of 2020 or 2021 as compared to 2019.



2020: 50% decrease in revenue per quarter



2021: 20% decrease in revenue per quarter

3. You started a business on or after February 12, 2020.



Businesses that began operations on or after February 12, 2020, are eligible for up to \$50,000 for Q3 and Q4 of 2021 (\$100,000 total for both quarters).

The following industries typically qualify: Day Care Centers, Franchises, Gyms and Fitness Facilities, Non-Profits, Recreation Facilities, Restaurants and Breweries, Resorts, Hotels and Motels, and Transportation Companies. Contact us to find out if your business qualifies!

The Monterey County Business Council is committed to ensuring every employer has the opportunity to take advantage of this program. Assistance is available in English and Spanish. Contact MCBC for assistance in learning how to apply.