



Understanding Your Employee Retention Credit Eligibility

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What We'll Discuss Today

1. GTM Payroll-ERC Today Partnership
2. Overview of the ERC Program
3. Services provided by ERC Today
4. Paths to Determine Eligibility
5. Your Questions



GTM Payroll Services - ERC Today

- ERC is considered largest stimulus program ever
- Assists businesses financially impacted by COVID-19 pandemic
- ERC Today will help determine your eligibility
- ERC Today:
 - Recommended partner by isolved
 - Fast, efficient processing of ERC applications
- Work directly with ERC Today through GTM Payroll Services



Introduction to the Employee Retention Credit (ERC)



What is the ERC?

- ▶ “ERC” stands for Employee Retention Credit
- ▶ A COVID-19 economic stimulus program
- ▶ Created by the CARES Act in March 2020 and extended by ARPA in March 2021
- ▶ Businesses must meet specific eligibility criteria to claim the credit

Who is ?

- ▶ Headquarters - Huntersville, NC
- ▶ Our team consists of experienced leaders with decades of service in payroll, accounting and other financial industries.
- ▶ A combination of consulting and technology
- ▶ Industry leader in turn around time

Our Services

- ▶ ERC Credit calculation
- ▶ Research of government restrictions
- ▶ Customized isolated ERC report
- ▶ Audit Package
- ▶ Advanced Funding Options

Paths to Eligibility



	2020 ERC PROGRAM	2021 ERC PROGRAM
A) Reduction in Sales	Sales for a calendar quarter are down more than 50% when compared to the same quarter of 2019	Sales for a calendar quarter are down more than 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.	
C) Recovery Startup Business	Eligibility based on reduction in sales or full/partial government shutdown as detailed above	Guaranteed eligibility for Q3 & Q4; Q1 & Q2 eligibility based on reduction in sales or full/partial government shutdown as detailed above

**Larger employers (over 500 FTEs) have different criteria for ERC eligibility and applicable wages*



Recovery Startup Business

- ▶ New Business that began operations on or after 2/15/2020. A purchased (existing) business does not qualify
- ▶ On 8/1/2021, the IRS expanded the definition of an eligible employer to include “Recovery Startup Business”
- ▶ Automatic eligibility for Q3 & Q4 of 2021
- ▶ Receive up to 70% of eligible wages per employee per quarter

Employee Type	Eligible Wages	Credit Amount	Annual Sales
Must have W2 employees, full or part-time	Up to \$10k per employee, per quarter	Capped at \$50k per quarter	Capped at \$1 million

Does the ERC program affect my PPP Loan?



- ▶ During 2020, a PPP Loan meant businesses could not get ERC
- ▶ Notice 2021-21 was issued 03/01/2021:
 - ▶ A) allowed businesses to participate in BOTH the PPP and ERC
 - ▶ B) retroactive, going back to 3/12/2020
- ▶ Cannot use the same wages for both PPP Loan Forgiveness and the ERC credit calculation

Client Financial Opportunity



Program Benefits	2020 ERC Program	2021 ERC Program
Refundable Credit	50% of wages, up to \$10k per employee	70% of wages up to \$10k per employee
Credit Period	3/12/2020 - 12/31/2020	Each of Q1, Q2 & Q3
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	\$21,000 per employee
Program Duration	Businesses have up to 3 years to amend a previous filed 941	

Client Credit Examples



INDUSTRY and STATE	CLIENT CREDIT	YEAR	SIZE (2020 W-2 COUNT)
Single-location steakhouse (NC)	\$213,029.88	2020	56
Temp staffing firm (NC)	\$275,099.46	2020	326
Hair salon (CA)	\$107,792.22	2020	36
Multi-location sandwich shop franchisee (NC)	\$371,551.39	2020	312
Single-location pizza parlor (NC)	\$58,255.95	2020	26
Toilet manufacturer (AR)	\$252,104.88	2020	63
Church (NC)	\$30,782.22	2020	12
Gym (TX)	\$51,455.01	2020	16
ESL school, Non-profit (CA)	\$111,150.41	2020	25
Four-location hotel (NC)	\$620,416.97	2020	383
Home healthcare staffing firm (VA)	\$599,891.59	2020	195
Nutrition products distributor (Nationwide)	\$1,152,330.98	2021 Q1	208
General contractor (PA)	\$364,283.71	2021 Q1	59
Four-location restaurant (WA)	\$528,340.02	2021 Q1/Q2	156
Field examinations (CA)	\$324,846.66	2021 Q1/Q2	30
Marketing graphics (TN)	\$50,954.46	2021 Q3	11
Environmental engineer (NC)	\$21,000	2021 Q1-Q3	2



Our Fee Structure:

Client Credit	Deposit	Fee %
\$ - to \$ 50,000.00	\$ 1,000.00	15.0%
\$ 50,000.01 to \$ 250,000.00	\$ 2,500.00	15.0%
\$ 250,000.01 to \$ 500,000.00	\$ 5,000.00	15.0%
\$ 500,000.01 to \$ 1,000,000.00	\$ 7,500.00	10.0%
\$ 1,000,000.01 and up	\$ 10,000.00	7.5%

NOTE: The above structure is per EIN for each ERC "evaluation period", defined as:

- 1) 2020 Filing Period: Q2, Q3, Q4 2020*
- 2) 2021 Filing Period: Q1, Q2, Q3 2021**
- 3) Recovery Startup Business Period: Q3 & Q4 2021

**There is no separate Q1 2020 filing; any Q1 ERC claims are made on the Q2 2020 ERC filing*

***Congress has eliminated the Q4 2021 filing, except for ARPA Recovery Startup Businesses*

In general, eligible clients will file at most two sets of filings.

How Do I Apply?

- **Go to: gtm.com/business/erc**
- Visit gtm.com/business





QUESTIONS

Thank You!

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