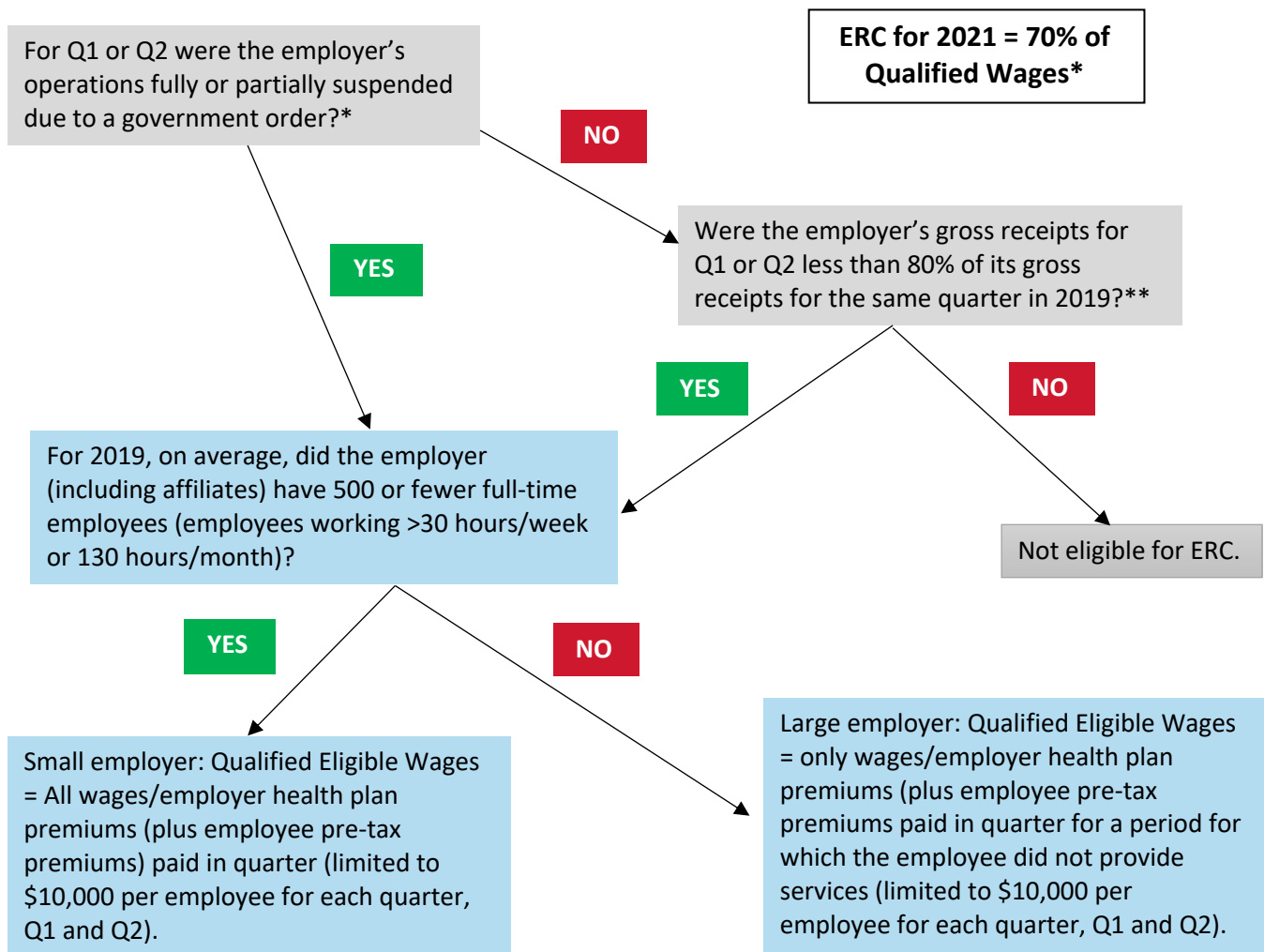


2021 Employee Retention Credit (ERC) Decision Tree



*Only the wages/health plan premiums paid during the period of the shut-down would be Qualified Eligible Wages, not the wages for the full quarter. For example, if your business was shut down under government order from April 1 – April 30, wages paid during this period are considered eligible wages under the suspension of operation test.

** An election is available to use the immediately preceding calendar quarter (for 1st quarter of 2021, an employer may elect to compare gross receipts of the 4th quarter of 2020 to the 4th quarter of 2019 and for 2nd quarter of 2021, an employer may elect to compare gross receipts of the 1st quarter of 2021 to the 1st quarter of 2019).

NOTE for PPP Loan recipients: Qualified Eligible Wages cannot be the same wages you used for the PPP Loan forgiveness calculation.

NOTE Aggregation Rules for Related Employers: Related employers will need to be aggregated as a single employer for all aspects of the ERC.