

# COVID-19 Employee Payroll Loan & Tax Credit Opportunities

## An Overview of the COVID-19 Payroll Loan & Tax Credit Options

Information in this visual is accurate as of May 28, 2020

### Employee Retention Credit (ERC)

**Supports:** Organizations with 100 or less employees and, in part, those with over 100 employees who are experiencing a partial or complete shut down due to COVID-19 –OR– Gross receipts have declined by more than 50% compared to the same quarter in the prior year.

**Funds:** Up to \$5,000 per employee credit, based on 50% of first \$10,000 paid to each employee in the remainder of 2020

**Must Know:** ERC is not allowed in conjunction with the following programs:

- PPP loans
- FFCRA related leave payments
- Work Opportunity Tax Credit eligible wages

#### Learn More

- [CARES Act - Employee Retention Credit \(ERC\)](#)
- [IRS Guidance](#)
- [US Chamber of Commerce - ERC](#)

### Payroll Tax Deferral (PTD)

**Supports:** Allows employers (and self-employed individuals) to delay paying the Employer portion of Social Security Payroll Tax at 0% interest rates.

**Funds:** Available immediately to all employers with 50% of deferred tax due by 12/31/2021 and the remaining 50% due by 12/31/2022

**Must Know:** PTD is not allowed on payroll paid with the PPP loan funds or for the FFCRA related leave payments.

#### Learn More

- [CARES Act - Payroll Tax Deferral \(PTD\)](#)
- [IRS Guidance](#)

### Paycheck Protection Program (PPP)

**Supports:** Organizations with 500 or less employees can receive up to \$10 million in forgivable loans to be used for specific expenses, including payroll and employee benefits. Loan forgiveness is dependent on the employer maintaining employee full-time equivalents and at least 75% of per employee gross payroll during the 8-weeks following loan origination

**Funds:** Up to \$10 million in forgivable loans

**Must Know:** FFCRA leave payments are excluded from gross payroll requirements. Cannot be used in conjunction with ERC or, if PPP loans are forgiven, PTD. Includes gross wages paid to employees up to \$100,000 (annualized) per employee. Also includes employee benefits costs such as retirement contributions and health insurance premiums.

#### Learn More

- [PPP Loan Forgiveness Calculation](#)
- [The CARES Act: Paycheck Protection Program](#)
- [Small Business Loan Programs](#)
- [CARES Act Decision Flowchart](#)

### Families First Coronavirus Response Act (FFCRA)

**Supports:** Organizations with 500 or less employees with required paid leave if COVID-19 eligibility criteria are met. All paid leave is eligible for immediate 100% refundable payroll tax credit.

**Funds:** Up to \$2,000 - \$5,110 per employee for emergency sick leave and up to \$10,000 per employee for FMLA expansion plan

**Must Know:** FFCRA leave payments are exempt from all other payroll tax deferrals and credits (PPP, ERC, PTD). FFCRA leave payments are excluded from PPP gross payroll calculation amounts

#### Learn More

- [COVID-19 Related Employee Work Leaves](#)
- [COVID-19 Related Payroll Tax Credits](#)
- [US DOL Guidance - Leave Requirements](#)
- [IRS Guidance - Credit Information](#)

### Next Step

[Contact AEM to have your questions answered](#)

This resource is intended to provide a high-level summary of relief opportunities for employers impacted by the COVID-19 epidemic. As these relief options can be complex, it is highly recommended that you work with your attorney or tax professional, like those at Abdo, Eick & Meyers, to discuss your specific situation and needs.