

# Is your Organization Eligible to Receive Valuable Employee Retention Credits for 2020?

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## Key Definitions, Considerations & Reminders

**PPP Forgiveness Planning Point:** Now that small business and non-profit employers are allowed to have a PPP loan AND qualify for the Employee Retention Credit, it will likely be beneficial For ERC eligible employers to MINIMIZE the qualified payroll expenses and MAXIMIZE other qualified expenses used for the PPP loan forgiveness application. Doing so will allow employers to save these payroll expenses to be used for the ERC.

**New Employers Not in Business in 2019:** There are additional opportunities and guidelines for the Employee Retention Credit for employers who were not in business for all of 2019.

**Exclusion of Owner Family Wages:** Wages paid to the family of a greater than 50% owner are not eligible for the Employee Retention Credit. The IRS defines family as a child, grandchild, brother, sister, stepbrother, stepsister, father, mother, grandparents, stepfather, stepmother, niece, nephew, aunt, uncle or any in-laws (mother, father, brother, sister, daughter, son).

### KEY DEFINITIONS:

**Full-time Employee:** Any employee who is employed on average at least 30 hours of service per week in any month during 2019. This is calculated by adding up, per month, all employees averaging 30 or more hours, totaling the 12 months, and dividing by 12 months to calculate the average number of full-time employees per month in 2019.

**Full or Partial Suspension of Operations:** Any full or partial closure of the workplace due to a governmental order (i.e. closure of indoor dining while still allowing take out) or a "more than nominal" modification of business operations due to a governmental order (i.e. 50% capacity limits in a salon).

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## Questions about Employee Retention Credits?

We can help you through it. Reach out to our AEM Workforce Solutions team today.

Contact Us

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