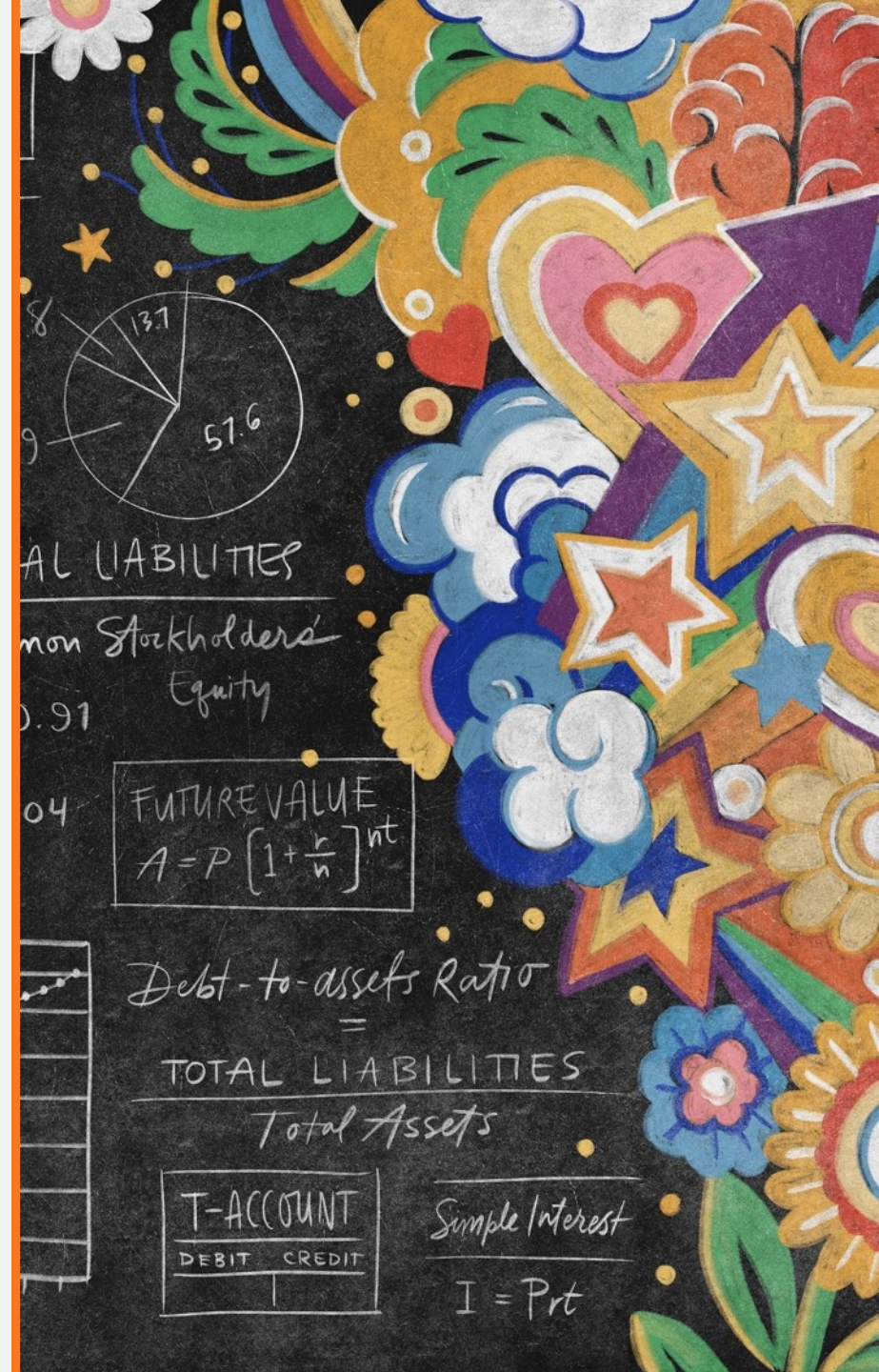


# Breaking Down The Employee Retention Credit For Schools

Aprio<sup>®</sup>

**EPIC**<sup>™</sup>  
Charter Schools Practice



# ERC: The Refundable Payroll Tax Credit At a Glance

2020

- Equal to **50%** of up to \$10,000 of qualified wages
- Businesses with 100+ full time employees in 2019 – The credit is only available to employees who are not providing services
- Employers can receive up to **\$5,000** per employee for 2020
- For qualified wages paid between March 13, 2020 and December 31, 2020

2021

- Equal to **70%** of up to \$10,000 of qualified wages
- Businesses with 500+ full time employees in 2019 – The credit is only available to employees who are not providing services
- Employers can receive up to **\$7,000** per employee per quarter
- For qualified wages paid between January 1, 2021 and December 31, 2021

# Who is an Eligible Employer?

- Any private-sector businesses or tax-exempt organizations that carries on a trade or business that meets either of the following:
  - A business that experienced a ***significant decline in gross receipts*** during any quarter.

**OR**

- A business that was ***fully or partially suspended*** due to orders from the Federal, or state government limiting commerce, travel, or group meetings due to COVID-19;

# Significant Decline in Revenue, Defined

- A *significant decline in gross receipts* during any quarter:

2020

- Gross receipts declined by at least **50%** of what they were for the same calendar quarter in 2019

2021

- Gross receipts declined by at least **20%** of what they were for the same calendar quarter in 2019

## Fully or Partially Suspended

**A business that was *fully or partially suspended* due to orders from the Federal, or state government limiting commerce, travel, or group meetings due to COVID-19;**

Occurs if an appropriate governmental authority imposes restrictions on the business's operations so that:

- the business must cease all operations; **or**
- the business can still continue to operate with some, but not all of its normal operations.
- More than a “Nominal Portion” of its business operations are suspended by a governmental order

# ERC Assistance

<https://www.aprio.com/erc-follow-up/>

