

Employee Retention Credit Comparison Chart

ELIGIBLE EMPLOYERS

Old Law	New Law 2020	New Law 2021
Wages paid to employees between March 13, 2020 and December 31, 2020 are eligible for a tax credit of 50%.	No changes	All qualified wages paid in 2021 are eligible for a payroll tax credit up to 70% with a \$10,000 limit per quarter.
Eligible Employers who receive a Paycheck Protection Program (PPP) loan are not eligible for Employee Retention Credits (ERC).	Employers who receive PPP loan can qualify for the ERC credit.	Employers may receive both the PPP2 loan and Employee Retention Credit but cannot use the same wages in calculating the credit as they do forgiveness.

ELIGIBLE EMPLOYERS MUST MEET THE FOLLOWING CRITERIA

Employee Retention Credit eligible employers include trade and businesses operating in the calendar year 2020, including tax-exempt, that:

Old Law	New Law 2020	New Law 2021
Partially or fully suspended operations due to government authority limiting travel, commerce, or group gathering due to COVID-19; or	No changes	Those who carry on a trade or business during the quarter the credit is determined.
During the calendar quarter experienced a significant decline in gross receipts.	No changes	When comparing to 2019 revenue, if it is less than 80% considered significant decline. Employers not in existence in 2019 should substitute 2020.
Governmental employers and self-employed individuals are not eligible.	No changes	Those who carry on a trade or business during the quarter the credit is determined.
Governmental employers and self-employed individuals are not eligible.	No changes	Does not apply to any organization described in section 501(c)(1) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code or any entity that is a college or university, or the principal purpose or function of such entity is providing medical or hospital care.

CREDITS AVAILABLE

Old Law	New Law 2020	New Law 2021
Employers with <100 full-time employees in 2019 are eligible to use all employee wages in credit calculation.	No changes	Employers with <500 employees in the prior quarter.
Employers with >100 full-time employees in 2019 are only eligible to use the wages of furlough or reduced hours/sales are eligible for the credit.	No changes	Employers with <500 employees in the prior quarter.

CREDITS CALCULATION

Old Law	New Law 2020	New Law 2021
Wages paid for compliance with FFCRA are excluded from credit calculation. Wages, including health benefits, are capped at the first \$10,000.	No changes	Wages are capped at the first \$10,000 per quarter. This includes health benefits.