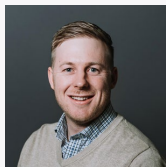


A woman with long blonde hair, wearing a black top and yellow pants, sits on a black chair on the left side of a glass partition. She is gesturing with her hands as if speaking. On the right side, a bald man wearing glasses, a light blue striped shirt, and dark pants sits on a black chair, facing her. The background shows a modern office interior with wooden shelves and a glass door with a logo. The overall lighting is warm and professional.

# Employee Retention Credit

*It ain't over 'til it's over*

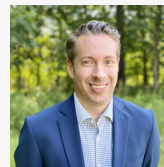
## Webinar presenters



**Jason Hines**

Vice President, Compliance & Risk  
[Heartland](#)

As an attorney with 10+ years of experience, Jason leads the Compliance and Risk teams for Payroll & HCM Solutions at Heartland, a financial technology firm providing payments, payroll and human capital management software and solutions for small and medium sized businesses across the US.



**Travis Kane**

Manager, Compliance  
[Heartland](#)

As a Heartlander for 6+ years, Travis and his team analyze and interpret federal, state and local legislation to ensure the Heartland Payroll & HCM software supports the needs of small and medium sized businesses. Over the last two years, Travis has become the resident expert on the impact of Covid legislation on SMBs.

An overhead view of a meeting table with several people. There are laptops, tablets, and smartphones on the table. One tablet displays '85.00%' and another smartphone also displays '85.00%'.

# Agenda

1. What is it and who qualifies?
2. How do you calculate the credit?
3. Can we take advantage of it?



## What is the ERC?

1. Federal COVID-19 business relief program created by the CARES Act in 2020, then amended by Consolidated Appropriations Act and the American Rescue Plan Act.
2. Purpose of program is to incentivize businesses to keep employees on private payrolls during pandemic by offering tax credits to qualifying businesses
3. Qualifying businesses are ones that were impacted by pandemic-related circumstances causing gross receipts to dip significantly. Also, businesses that started during the pandemic are eligible for tax credits.

# ERC Timeline





## Who Qualifies?

1. Business Operations were partially or totally shut down due to the coronavirus
2. Gross receipts are less than 80% when compared to the same quarter of 2019
3. Employers with fewer than 500 employees in 2019 can claim ERC for all employees

# Recovery Startups

Businesses that meet these qualifications may claim up to a **\$50,000 tax credit** for the 3rd and 4th quarters of 2021

1. Began carrying on a trade or business after February 15, 2020
2. Average annual gross receipts for its last three taxable year period ending before the quarter for which the credit would be claimed do not exceed \$1 million
3. Would not otherwise be eligible under the general conditions involving suspended business operations or a decline in gross receipts under the original qualifiers

# Calculating ERC 2020

Employers can take a tax credit equal to  
50% of employees' first \$10,000 in  
qualifying wages in 2020 .

\$5,000 per employee for the  
year

# Calculating ERC 2021

Employers can take a tax credit equal to  
70% of employees' first \$10,000 in  
qualifying wages per quarter.

\$21,000 per employee for the  
year





Approximately 6 million businesses in U.S. have fewer than 500 employees

1. <https://www.census.gov/data/datasets/2018/econ/susb/2018-susb.html>

“

Money doesn't solve all  
problems, but it could  
solve my money problem.

”

# Am I too late?

If your business met the qualifications for ERC during any of the quarters the program was active, your business returns can be amended to claim tax credits retroactively.

**Form 941-X: Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund**  
OMB No. 1545-0029

Form (Rev. July 2021) Department of the Treasury — Internal Revenue Service

**Employer identification number (EIN)**  -

**Name (not your trade name)**

**Trade name (if any)**

**Address**

Number  Street  Suite or room number

City  State  ZIP code

Foreign country name  Foreign province/county  Foreign postal code

**Return You're Correcting—**  
 Check the type of return you're correcting.  
 941  
 941-SS

Check the ONE quarter you're correcting.  
 1: January, February, March  
 2: April, May, June  
 3: July, August, September  
 4: October, November, December

Enter the calendar year of the quarter you're correcting.  (YYYY)

**Enter the date you discovered errors.**  
     
 MM / DD / YYYY

Read the separate instructions before completing this form. Use this form to correct errors you made on Form 941 or 941-SS. Use a separate Form 941-X for each quarter that needs correction. Type or print within the boxes. You MUST complete all five pages. Don't attach this form to Form 941 or 941-SS unless you're reclassifying workers; see the instructions for line 42.

**Part 13** Select ONLY one process. See page 6 for additional guidance, including information on how to treat employment tax credits and social security tax deferrals.

1. **Adjusted employment tax return.** Check this box if you underreported tax amounts. Also check this box if you overreported tax amounts and you would like to use the adjustment process to correct the errors. You must check this box if you're correcting both underreported and overreported tax amounts on this form. The amount shown on line 27, if less than zero, may only be applied as a credit to your Form 941, Form 941-SS, or Form 944 for the tax period in which you're filing this form.

2. **Claim.** Check this box if you overreported tax amounts only and you would like to use the claim process to ask for a refund or abatement of the amount shown on line 27. Don't check this box if you're correcting ANY underreported tax amounts on this form.

**Part 20** Complete the certifications.

3. I certify that I've filed or will file Forms W-2, Wage and Tax Statement, or Forms W-2c, Corrected Wage and Tax Statement, as required.

**Note:** If you're correcting underreported tax amounts only, go to Part 3 on page 2 and skip lines 4 and 5. If you're correcting overreported tax amounts, for purposes of the certifications on lines 4 and 5, Medicare tax doesn't include Additional Medicare Tax. Form 941-X can't be used to correct overreported amounts of Additional Medicare Tax unless the amounts weren't withheld from employee wages or an adjustment is being made for the current year.

4. If you checked line 1 because you're adjusting overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, check all that apply. You must check at least one box.  
 I certify that:

a. I repaid or reimbursed each affected employee for the overcollected federal income tax or Additional Medicare Tax for the current year and the overcollected social security tax and Medicare tax for current and prior years. For adjustments of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or claim was rejected) and won't claim a refund or credit for the overcollection.

b. The adjustments of social security tax and Medicare tax are for the employer's share only. I couldn't find the affected employees or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.

c. The adjustment is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.

5. If you checked line 2 because you're claiming a refund or abatement of overreported federal income tax, social security tax, Medicare tax, or Additional Medicare Tax, check all that apply. You must check at least one box.  
 I certify that:

a. I repaid or reimbursed each affected employee for the overcollected social security tax and Medicare tax. For claims of employee social security tax and Medicare tax overcollected in prior years, I have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.

b. I have a written consent from each affected employee stating that I may file this claim for the employer's share of social security tax and Medicare tax. For refunds of employee social security tax and Medicare tax overcollected in prior years, I also have a written statement from each affected employee stating that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.

c. The claim for social security tax and Medicare tax is for the employer's share only. I couldn't find the affected employees, or each affected employee didn't give me a written consent to file a claim for the employer's share of social security tax and Medicare tax, or each affected employee didn't give me a written statement that he or she hasn't claimed (or the claim was rejected) and won't claim a refund or credit for the overcollection.

d. The claim is for federal income tax, social security tax, Medicare tax, or Additional Medicare Tax that I didn't withhold from employee wages.

Next ➔

For Paperwork Reduction Act Notice, see the separate instructions. [www.irs.gov/Form941-X](http://www.irs.gov/Form941-X) Cat. No. 17025J Form 941-X (Rev. 7-2021)

## Highlights

**\$85,000 per quarter**

That's a lot of money.

**3,400+ employers**

That's a lot of businesses.

**100%**

That's a lot of success.

Thank you!

For more information about Heartland Payroll

# Heartland

**Call : 1-800-619-5301**

**Or visit us online:**

**<https://go.heartlandpaymentsystems.com/nfib>**