

5 Ways to Determine Eligibility for the **Employee Retention Credit**



DLA DISASTER
LOAN ADVISORS™

**ERC / ERTC
FINANCIAL SERIES**

CLAIM UP TO A \$26,000
REFUND PER EMPLOYEE

5 WAYS TO DETERMINE ELIGIBILITY FOR THE EMPLOYEE RETENTION CREDIT

Here are the Top 5 Ways To Determine Eligibility for the Employee Retention Credit:

1. Determining the Eligibility for Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which took effect on March 13, 2020, and continues through September 30, 2021, established the Employee Retention Credit (ERC). The ERC may be provided to any company, regardless of the size or employee count, and can also be used in the past.

When operations were at least partially suspended owing to a government order related to the COVID-19 pandemic, the ERC applied to eligible companies that paid qualifying salaries to employees.

Check out [Ultimate Guide to the 2021 Employee Retention Tax Credit \(ERTC\)](#).

This way to determine eligibility for the ERC came from DisasterLoanAdvisors.com's "[How to Determine Eligibility for the Employee Retention Credit \(ERC\)?](#)".

2. What Employers Qualify for the Employee Retention Credit?

Most employers, including colleges, universities, hospitals and 501(c) organizations following the enactment of the American Rescue Plan Act, can qualify for the credit. Previously, the Consolidated Appropriations Act expanded qualifications to include businesses who took a loan under the Paycheck Protection Program (PPP), including borrowers from the initial round of PPP who originally were ineligible to claim the tax credit.

Qualification is determined by one of two factors for eligible employers — and one of these factors must apply in the calendar quarter the employer wishes to utilize the credit:

1. A trade or business that was fully or partially suspended or had to reduce business hours due to a government order.

The credit applies only for the portion of the quarter the business is suspended, not the entire quarter.

Some businesses, based on IRS guidance, generally do not meet this factor test and would not qualify.

2. An employer that has a significant decline in gross receipts.

3. Recovery Startup Business

This way to determine eligibility for the ERC came from Paychex.com's ["The Employee Retention Tax Credit Program Has Closed But Businesses Can Retroactively Claim Credit"](#).

3. Who is eligible for the Employee Retention Credit?

An eligible employer for the employee retention credit in 2020 is any private-sector employer or tax-exempt organization carrying on a trade or business during calendar year 2020, that either:

1. fully or partially suspended operations during any calendar quarter due to orders from an appropriate government authority limiting commerce, travel, or group meetings due to COVID-19; or

2. experienced a significant decline in gross receipts during the calendar quarter.

Eligibility rules have been updated for 2021.

To be considered for the credit, more than a nominal portion of the employer's business operations must have been suspended.

For the purposes of the employee retention credit, a portion of an employer's business is considered more than a nominal portion of operations if either the gross receipts from that portion of business operations is not less than 10% of gross receipts (determined by same calendar quarter in 2019) or the hours of service performed by employee is that portion of the business is not less than 10% of the total number of hours of service performed by all employees in the employer's business.

Tax.ThomsonReuters.com's "[Employee Retention Credit](#)" post shared this way to determine eligibility for the ERC.

4. Determining Which Employers are Eligible for ERC

Eligible Employers that are entitled to claim the Employee Retention Credit are private-sector businesses and tax-exempt organizations that carry on a trade or business during calendar year 2020 and either:

- Have operations that were fully or partially suspended during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or
- Experienced a significant decline in gross receipts during the calendar quarter.

IRS.gov shared this way to determine eligibility for the ERC on "[COVID-19-Related Employee Retention Credits: Determining Which Employers are Eligible to Claim the Employee Retention Credit FAQs](#)".

5. Which Employers Qualify for the Employee Retention Credit?

Following the enactment of the American Rescue Plan Act, most employers, including colleges, universities, hospitals and 501(c) organizations can qualify for the credit. Previously, the Consolidated Appropriations Act expanded qualifications to include businesses who took a PPP loan, including borrowers from the initial round of PPP who originally were ineligible to claim the tax credit.

Qualification is determined by one of two factors for eligible employers — and one of these factors must apply in the calendar quarter the employer wishes to utilize the credit:

1. Trade or business was fully or partially suspended or had to reduce business hours due to a government order. The credit applies only for the portion of the quarter the business is suspended, not the entire quarter.
2. Employer has a significant decline in gross receipts.

This way to determine eligibility for the ERC came from UC.Edu's "[What you need to know about the Employee Retention Credit](#)".

How to Determine Eligibility for the Employee Retention Credit in 2022?

Pro Tip: Before you file an IRS claim to receive the Employee Retention Tax Credit, be sure to consult with a professional ERC / ERTC Consultant on how to receive up to a \$26,000 refund per employee for your business from the 2020 and 2021 tax years.

Depending on eligibility, business owners and companies can receive up to \$26,000 per employee based on the number of W2 employees you had on the payroll in 2020 and 2021. Good news is that you have three years to file an amended IRS Form 941-X to claim the tax credit owed to you.

Schedule Your Free [Employee Retention Credit Consultation](#) to see the maximum amount of employee retention tax credits your company qualifies for.

Disaster Loan Advisors can assist your business with the complex and confusing Employee Retention Credit (ERC) and Employee Retention Tax Credit (ERTC) programs.



Schedule Your [Employee Retention Credit Consultation](#) to see what amount of employee retention tax credit your company qualifies for.

EMPLOYEE RETENTION TAX CREDIT (ERC / ERTC) HELP: CLAIM UP TO A \$26,000 REFUND PER EMPLOYEE FOR YOUR BUSINESS

Disaster Loan Advisors™ can **assist your business with the complex and confusing** Employee Retention Tax Credit (ERTC) and Employee Retention Credit (ERC) program.

Depending on eligibility, business owners and companies can **receive up to \$26,000 per employee** based on the number of W2 employees you had on the payroll in 2020 and 2021.

The ERC / ERTC Program is a **valuable tax credit you can claim**. This is money you have already paid to the IRS in payroll taxes for your W-2 employees.

Done correctly, **these tax credits or cash refunds can be retroactively claimed for up to 3 years**.

It's encouraged that business owners **obtain professional assistance in going through the complex 941-X amended filing process** to help your company **maximize** the full value of the ERC / ERTC program.



4/15/24 is the Deadline to Amend the 2020 Tax Year.
4/15/25 is the Deadline to Amend the 2021 Tax Year.



Schedule Your [Employee Retention Credit Consultation](#)
to see what amount of employee retention tax credit your company qualifies for.

As seen on...

yahoo!
finance

Bloomberg

AP

**BUSINESS
INSIDER**

crunchbase

yahoo!
news



SCHEDULE YOUR FREE CONSULTATION CALL NOW

<https://www.DisasterLoanAdvisors.com/contact>

**EMAIL + WEBSITE:**

support@disasterloanadvisors.com
DisasterLoanAdvisors.com

**PHONE:**

877-463-9777 toll-free
702-997-1222 main

**CORPORATE MAILING ADDRESS:**

Disaster Loan Advisors™ (DLA)
a 7 Figure PR™ Brand Company
9030 W Sahara Ave # 400
Las Vegas, Nevada 89117

DLA DISASTER
LOAN ADVISORS™

EDITORIAL POLICY / DISCLAIMERS:

The Disaster Loan Advisors™ content presented is for Editorial News Publication and for informational and educational purposes only. Any company names or brand names mentioned and reported on, may be trademarks of their respective owners. Our publication or website is NOT endorsed by these in any way. We are sharing this content with our readers and the Disaster Loan Advisors™ Community for social and news editorial purposes only.

We are not part of the SBA. Our company or website is not endorsed by the SBA in any way. The SBA is a federal government agency. Their official website is SBA.gov. Disaster Loan Advisors™ is an "Agent" and we provide Consulting, Application Preparation, EIDL Loan Reconsideration Requests, EIDL Loan Increase Requests, and other Advisory "Agent Services" as defined by the SBA.

Limitation of Liability

Disaster Loan Advisors™ / DisasterLoanAdvisors.com makes no representations, warranties, or assurances as to the accuracy, currency or completeness of the content contained herein or any websites linked to this content. This communication contains general information only. None of Disaster Loan Advisors™ / DisasterLoanAdvisors.com, its member firms, owners, partners, shareholders or their related entities is, by means of this content / communication, rendering professional legal, accounting, tax, investment, or financial advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional legal, accounting, tax, investment, or financial advisor. No individual or entity associated with Disaster Loan Advisors™ / DisasterLoanAdvisors.com shall be responsible for any loss whatsoever sustained by any person who relies on this content / communication.

For Full Terms and Disclaimers, see:

<https://www.disasterloanadvisors.com/terms>

Copyright © Disaster Loan Advisors™ and DisasterLoanAdvisors.com. All Rights Reserved.

Cover License & Image Credit: 123rf.com / Pressmaster and Envato Market / Creativesigne and Disaster Loan Advisors™.