

2021 EMPLOYEE RETENTION TAX CREDIT CALCULATION:

GOVERNMENTAL SHUTDOWN EXAMPLE IS THE “EXACT” DAYS OF THE SHUTDOWN, SO BREAK DOWN THE WAGES TO EACH DAY WITHIN THAT DATE RANGE

EXAMPLE: “SMALL EMPLOYER”
GOVERNMENTAL SHUTDOWN
JANUARY 29, 2021 – FEBRUARY 26, 2021
21 BUSINESS DAYS

21 DAYS MULTIPLIED BY 8 HOURS PER DAY
EQUALS 168 HOURS

THIS BUSINESS IS ONLY OPEN MONDAY –
FRIDAY (SO ONLY THE DAYS OF BUSINESS
WOULD BE INCLUDED)

ASSUMES ALL EMPLOYEES WERE PAID
AND WERE ALL PAID 8 HOURS PER DAY
(REGARDLESS IF THEY WORKED OR NOT)

2021 EMPLOYEE RETENTION TAX CREDIT TRACKING			
EMPLOYEE NAME	Hourly Pay	Hours Paid	Total Pay
Sam	\$ 13.00	168 ★	\$ 2,184.00 ★
Sally	\$ 24.00	168	\$ 4,032.00
Roger	\$ 16.50	168	\$ 2,772.00
Lucy	\$ 24.75	168	\$ 4,158.00
Wayne	\$ 15.50	168	\$ 2,604.00
Lisa	\$ 16.00	168	\$ 2,688.00
TOTAL QUALIFIED WAGES			\$ 18,438.00 ★
ERTC @ 70% ★			\$ 12,906.60 ★

NO ONE EMPLOYEE OVER \$10,000 ★

2021 EMPLOYEE RETENTION TAX CREDIT TRACKING
Starting January 1, 2021
(See Additional Requirements)
MAXIMUM QUALIFIED "WAGES" IS \$10,000 PER QUARTER
(THAT WOULD BE MAXIMUM PAYROLL "CREDIT" OF \$7,000) PER QUARTER
\$7,000 PER EMPLOYEE, PER QUARTER

THIS IS FOR 2021 ★

2021 EMPLOYEE RETENTION TAX CREDIT CALCULATION:

GROSS RECEIPTS REDCUTION EXAMPLE IS WAGES FOR THE QUARTER IN 2021

EMPLOYEE RETENTION TAX CREDIT TRACKING		
Starting Janaury 1, 2021 ★		
(See Additional Requirements)		
MAXIMUM QUALIFIED "WAGES" IS \$10,000 PER QTR		
(THAT WOULD BE MAXIMUM PAYROLL "CREDIT" OF \$7,000) ★		
PER EMPLOYEE, PER QUARTER		
	(A)	(B)
	Total Eligible Wages	EE Retention Credit
Employee Name	During Qualified Time	70% Allowable
		Multiply (A) x 70% ★
Ronnie	\$ 1,600	\$ 1,120
Sara	\$ 5,000	\$ 3,500
Justin	\$ 960	\$ 672
	TOTAL	5,292 ★

EXAMPLE: "SMALL EMPLOYER"

GROSS RECEIPTS DOWN AT LEAST 20% IN QUARTER 2 OF 2021 AS COMPARED TO QUARTER 2 IN 2019

THIS WOULD BE THE TOTAL WAGES PAID IN QUARTER 2

THIS CAN EASILY BE OBTAINED FROM THE WAGES REPORTED ON FORM 941 FOR QUARTER 2 OF 2021



EXAMPLE OF HOW QUICKLY THIS CAN ADD UP: \$12/HOUR EMPLOYEES

2021					
Employer Has 500 or Less Employees (Not a Recovery Start Up Business)					
Qualifies Due to a Reduction in Gross Receipts, Which is All Wages for the Quarter					
	Quarter 1	Quarter 2	Quarter 3	2021	
Employee Sally					
Per Hour Pay	\$ 12.00	\$ 12.00	\$ 12.00		
x Hours Work Per Week	40 Hrs	40 Hrs	40 Hrs		
Gross Pay for the Week	\$ 480	\$ 480	\$ 480		
x 4 Weeks (for Month)	\$ 1,920	\$ 1,920	\$ 1,920		
x 3 Months (for a Quarter) USING SIMPLE MATH (USE ACTUAL WAGES PAID)	\$ 5,760	\$ 5,760	\$ 5,760		
x 70% Employee Retention Tax Credit (for 1 Employee - Sally)	\$ 4,032	\$ 4,032	\$ 4,032	\$ 12,096	1 Employee
What if you have 5 Employees Making What Sally Makes?	\$ 20,160	\$ 20,160	\$ 20,160	\$ 60,480	5 Employees
What if you have 10 Employees Making What Sally Makes?	\$ 40,320	\$ 40,320	\$ 40,320	\$ 120,960	10 Employees
What if you have 25 Employees Making What Sally Makes?	\$ 100,800	\$ 100,800	\$ 100,800	\$ 302,400	25 Employees
What if you have 100 Employees Making What Sally Makes?	\$ 403,200	\$ 403,200	\$ 403,200	\$ 1,209,600	100 Employees