

# 2020 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  
APRIL 2, 2020 – APRIL 30, 2020  
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)

2020 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
<b>ERTC @ 50%</b>			<b>\$ 9,219.00 ★</b>

NO ONE EMPLOYEE  
OVER \$10,000 ★

**2020 EMPLOYEE RETENTION TAX CREDIT TRACKING**  
Starting March 13, 2020  
(See Additional Requirements)  
**MAXIMUM QUALIFIED "WAGES" IS \$10,000 PER YEAR 2020**  
**(THAT WOULD BE MAXIMUM PAYROLL "CREDIT" OF \$5,000) PER YEAR 2020**  
**\$5,000 PER EMPLOYEE, PER YEAR 2020**

**THIS IS FOR 2020 ★**

# 2020 EMPLOYEE RETENTION TAX CREDIT CALCULATION: GROSS RECEIPTS REDCUTION EXAMPLE IS WAGES FOR THE QUARTER IN 2021

## EMPLOYEE RETENTION TAX CREDIT TRACKING

STARTING MARCH 13, 2020 ★

(See Additional Requirements)

MAXIMUM QUALIFIED "WAGES" IS \$10,000 PER YEAR ★

(THAT WOULD BE MAXIMUM PAYROLL "CREDIT" OF \$5,000)

PER EMPLOYEE, PER YEAR 2020

EXAMPLE: "SMALL  
EMPLOYER"

GROSS RECEIPTS DOWN AT  
LEAST 50% IN QUARTER 2  
OF 2020 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 2020

	(A)	(B)
	★ Total Eligible Wages During Qualified Time	EE Retention Credit 50% Allowable Multiply (A) x 50%
Employee Name		
Ronnie	\$ 1,600	\$ 800 ★
Sara	\$ 5,000	\$ 2,500
Justin	\$ 960	\$ 480
	TOTAL	3,780 ★
		Please Check Match

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

EMPLOYEE RETENTION TAX CREDIT (ERTC)						
<b>2020</b>						
Employer Has 100 or Less Employees Qualifies Due to a Reduction in Gross Receipts, Which is All Wages for the Quarter						
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2020	
Employee Sally	*On Wages 3/13-3/31 Qualify					
Per Hour Pay	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00		
x Hours Work Per Week	40 Hrs	40 Hrs	40 Hrs	40 Hrs		
Gross Pay for the Week	\$ 480	\$ 480	\$ 480	\$ 480		
x 4 Weeks (for Month)	N/A	\$ 1,920	\$ 1,920	\$ 1,920		
Qualify for the Quarter (Max \$10,000 Wages Per All 2020 Per Employee)	\$ 1,248	\$ 5,760	\$ 2,992	NONE		
x 50%	\$ 624	\$ 2,880	\$ 1,496	\$ -	\$ 5,000	1 Employee
Employee Retention Tax Credit (for 1 Employee - Sally)						
What if you have 5 Employees Making What Sally Makes?	\$ 3,120	\$ 14,400	\$ 7,480	\$ -	\$ 25,000	5 Employees
What if you have 10 Employees Making What Sally Makes?	\$ 6,240	\$ 28,800	\$ 14,960	\$ -	\$ 50,000	10 Employees
What if you have 25 Employees Making What Sally Makes?	\$ 15,600	\$ 72,000	\$ 37,400	\$ -	\$ 125,000	25 Employees
What if you have 100 Employees Making What Sally Makes?	\$ 62,400	\$ 288,000	\$ 149,600	\$ -	\$ 500,000	100 Employees

Even if Qualifies in 4th Quarter, No Wages Included Because All Maxed Out in 3rd Quarter

\$ 5,000  
\$ 25,000  
\$ 50,000  
\$ 125,000  
\$ 500,000

Max Wages Reached in 3rd Quarter  
\$1,248 Allowed in 1st Quarter  
\$5,760 Allowed in 2nd Quarter  
Therefore, Only \$2,992 Allowed in 3rd Quarter