

## CARES Act Opportunities

If you did not receive a Payroll Protection Program loan, there are still other opportunities within the CARES act available to you.

### Deferral of Payroll Taxes

The CARES Act allows employers to defer payment of the employer portion of Social Security and allows self-employed individuals to defer payment of certain self-employment taxes through the end of 2020.

#### Who qualifies?

- Businesses that did not receive a Payroll Protection Program loan
- Businesses that received a Payroll Protection Program loan, only for the period prior to PPP loan forgiveness
- Self-employed individuals are eligible

#### How does it work?

- Employer social security tax deposits required from March 27, 2020, through December 31, 2020 can be retained by the employer to fund operations
- If an employer has a PPP loan forgiven, deferral must stop at the time of loan forgiveness
- Payroll taxes deferred will be due in two installments, half on December 31, 2021 and the remaining half on December 31, 2022

#### How do I defer payment?

- No special election is required
- The Form 941 will be updated to report deferred amounts

### [IRS Deferral of Employment Tax Deposit Q&As](#)

### Employee Retention Credit

This provision provides a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during the COVID-19 crisis.

#### Who qualifies?      Either of the following:

- Businesses, including a tax-exempt organization, with operations that have been partially or fully suspended by an appropriate governmental authority imposing restrictions upon the business operations due to COVID-19 where the business can continue to operate but not at normal capacity
- Businesses that have a significant decline in gross receipts compared to 2019. A significant decline occurs when an employer's gross receipts for a calendar quarter in 2020 are less than 50 percent of its gross receipts for the same calendar quarter in 2019
- Self-employed individuals are not eligible, as well as employers receiving Payroll Protection Program loans

#### How much is the credit?

- Up to 50% of wages, including health insurance, paid between March 13, 2020 and December 31, 2020
- Maximum of \$5,000 per employee
- Limitations apply for employers with more than 100 employees

#### How do I claim the credit?

- Employers may reduce the amount of federal payroll taxes deposited by the credit
- The credit is reported on Form 941 for the quarter
- In anticipation of receiving the credits, employers can fund qualified wages by assessing taxes that are required to be deposited or by requesting an advance of the credit from the IRS on Form 7200

### [IRS Employee Retention Credit Q&As](#)