



Should my business get any of the following stimulus packages under CARES or the Consolidated Appropriations Act?

What are the options?

PPP Round 1

- Can now go back and receive if you didn't receive it before
- No required reduction in income
- Loan is 2.5 times average monthly payroll
 - Capped at \$100,000 annualized wages per employee + health care + retirement

PPP Round 2

- Have to get and use round 1 before you apply and receive round 2
- Loan is 2.5 times average monthly payroll, 3.5 times for NAICS code 72
 - Still capped at \$100,000 annualized wages per employee + health care + retirement + other group insurance plans
 - Dip in revenue includes affiliated entities as well

Employee Retention Credit (ERC)

- Can now be eligible even if you received PPP....this was not the case before
 - Can't double dip and take credit for wages that were paid for by PPP loans Round 1 or Round 2**
- Can go back and get ERC for 2020 if you had a 50% dip in quarterly revenue in 2020 or you were shut down due to government orders
 - 2020 credit is 50% of up to \$10,000 in wages, or a max of \$5,000, per employee for entire 2020 year
- Can be eligible for 2021 with a 20% dip in quarterly revenue when compared to 2019 or shut down due to government orders
 - A 4th quarter 2020 dip in revenue of 20% can make you eligible for 1st quarter of 2021
 - 2021 credit is 70% of up to \$10,000 in wages per employee per quarter, or a max of \$14,000, through June 2021

continued

How does my business decide which one to do?

1) Did your business apply for and get PPP Round 1?	
YES	Do you now qualify for PPP Round 2 after using all Round 1 funds? Go to question 2.
NO	Apply for PPP Round 1 and also see if you qualify for ERC. Go to question 3.
2) Did you have a dip in revenue (including affiliated entities) of 25% or more in one 2020 calendar quarter when compared to the same quarter in 2019 and have less than 300 employees (NAICS code 72 measures employees by location)?	
YES	Apply for PPP Round 2 and go to question 3.
NO	You do not qualify for PPP Round 2, but go to question 3.
3) Did you have to shut your business due to government mandate or did you have a dip in revenue of 50% or more in one 2020 calendar quarter when compared to the same quarter in 2019?	
YES	Go to question 4.
NO	You do not qualify for 2020 ERC but go to question 5.
4) Did you have more than 100 full time equivalent employees?	
YES	You qualify for 2020 ERC for only the wages paid to employees that did NOT provide services for the quarter you have the drop or shutdown and can claim until the quarter after you go above 80% in revenue, go to question 5.
NO	You qualify for 2020 ERC for all wages for the quarter you have the drop or was shutdown and can claim it until the quarter after you go above 80% in revenue, go to question 5. NOTE FOR BOTH YES AND NO: Do not double dip credits using wages paid for by PPP Round 1 funds.
5) Did you have a dip in revenue of 20% or more in the 4th quarter of 2020 when compared to the 4th quarter in 2019?	
YES	Go to question 6.
NO	You do not qualify for ERC for first quarter of 2021 using look back, but go to question 7.
6) Did you have more than 500 full time equivalent employees?	
YES	You qualify for ERC for first quarter of 2021 for only wages paid to employees to not provide services, go to question 7.
NO	You qualify for ERC for first quarter of 2021 for all wages, go to question 7. NOTE FOR BOTH YES AND NO: Do not double dip credits using wages paid for by PPP Round 2.
7) Did you have a dip in revenue of 20% or more in the 1st quarter of 2021 when compared to the 1st quarter in 2019 or 1st quarter 2020 or shut down due to government order?	
YES	Go to question 8.
NO	Go to question 9.
8) Did you have more than 500 full time equivalent employees?	
YES	You qualify for ERC for first quarter and second quarter of 2021 for only wages paid to employees to not provide services, and no need to look at questions 9 or 10.
NO	You qualify for ERC for first quarter and second quarter of 2021 for all wages, and no need for questions 9 or 10. NOTE FOR BOTH YES AND NO: Do not double dip credits using wages paid for by PPP Round 2 funds.
9) Did you have a dip in revenue of 20% or more in the 2nd quarter of 2021 when compared to the 2nd quarter in 2019 or 2nd quarter 2020?	
YES	Go to question 10.
NO	We will keep you posted on any further expansion of PPP, ERC, or other stimulus packages.
10) Did you have more than 500 full time equivalent employees?	
YES	You qualify for ERC for second quarter of 2021 for only wages paid to employees to not provide services.
NO	You qualify for ERC for second quarter of 2021 for all wages. NOTE FOR BOTH YES AND NO: Do not double dip credits using wages paid for by PPP Round 2 funds.

NEED MORE HELP? Contact Rivero, Gordimer & Company in Tampa, Florida by calling 813-875-7774 or visiting our website at www.rgco.com.

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