

Employee Retention Tax Credit - ERTC

Frequently Asked Questions



What is the Employee Retention Tax Credit (ERTC)?:

ERTC is a refundable payroll tax credit. Born out of the same CARES Act as PPP, its aim is to provide economic relief for small and medium businesses who retained employees during the COVID-19 pandemic. Initially, eligible employers could only take either PPP, or ERTC. In 2021, as part of the Consolidated Appropriations Act, Congress amended this provision, allowing businesses to apply for both.

How is the ERTC different from the Paycheck Protection Program (PPP)?

PPP was a forgivable loan. ERTC returns the payroll taxes that your business has already paid. Once you receive the ERTC funds from the US Treasury, no further action is required on your part.

Why haven't I heard about ERTC before?

PPP was heavily marketed by the SBA, while ERTC is claimed directly through the US Treasury. Along with our partners, it's our mission to educate you and obtain for your business the payroll tax refund that it's entitled to.

Why can't my CPA do this for me?

There are over 70,000 pages of tax code; it's impossible to be an expert on all of them. Our partners are former IRS Agents that specialize in ERTC. From 20+ years of experience of concentrating on tax incentive programs, they understand the intricacies and nuances involved in finding the various pathways to qualification.

How do I know if my business qualifies?

The IRS expects 70% - 80% of small and medium businesses to qualify. If your business experienced disruptions to commerce, travel, or group meetings, you qualify! This includes supply chain disruptions, price increases, staffing shortages, difficulty hiring, reduced hours, reduction in goods or services offered, were unable to travel, or attend conventions.

Where does the ERTC's Cash Refund come from?

The ERTC is a federal credit taken on a business' quarterly payroll taxes, not the business' taxes, based on how many full-time employees (30+ hours) the company had for the eligibility period. The credit calculation is based on qualified wages paid per employee each quarter. In 2020 the refundable tax credit was 50% of qualified wages up to a \$5,000 maximum per employee. In 2021 it was 70% of qualified wages up to \$21,000 per employee. The IRS issues a refund check in the amount of the credit claimed.

What if I wait to claim the ERTC?

Time is of the essence as the program has an expiration date. We have a limited window of time to claw back the money which is rightfully owed to you. The program could run out of allocated funds at anytime and is subject to the whims of congress. Don't delay!

Do I have to pay this back?

It's a refund of payroll taxes. It's YOUR money! There are no limitations on how you use it.

My business was profitable or deemed essential, can I still qualify?

Absolutely! Both Essential and Non-essential businesses alike can qualify, and a decline in revenue is not required. Many of our clients even had increases in sales, but still experienced disruptions or were negatively impacted.

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Are Tipped Wages Included in Qualified Wages?

IRS [notice 2021-49](#) clarified that tips would be included in qualified wages if these wages were subject to FICA. In general, this means if tips are over \$20 in calendar month for an employee, then all tips (including the first \$20) would be included in qualified wages for the purpose of the retention credit. Tips that amount to less than \$20 in a month are not subject FICA wages and would not qualify for the retention credit.

How does a PEO client employer reconcile?

Employers utilizing a PEO do not have an individual 941 filed on their behalf, so it's important for them to understand how they would reconcile this information and receive the credit. The IRS posted guidance to clarify how it would work. If an eligible employer uses a PEO, the retention credit is reported on the PEO aggregate Form 941 and Schedule R.

What is your fee and when do we pay it?

There are no up-front fees or obligation to receive your refund analysis. Once engaged to recover your refunds, our fee is 20% paid upon delivery of compliance analysis or 25% if paid over time, with no hidden costs. Our fee includes preparation of your claims by our team of former IRS agents who specialize in qualifying, substantiating, calculating, and claiming ERTC refunds. We also stand behind our work. Once we have a signed agreement, we guarantee the refund amount.

How long will it take to get my refund?

Our work will be completed within 30 days of receiving your documents. You'll receive refund checks from the US Treasury in 5 - 8 months depending upon backlog. The longer you wait, the longer it will take!

How is the refund Calculated?

Determining the proper amount that you're entitled to is a complex accounting process. Although these are payroll tax credits, what you've paid in payroll tax has no bearing on your ERTC calculations. The refunds are based on many factors including qualifying quarters, number of employees, hours worked, wages paid and if applicable, PPP loans, group health premiums and participation in other government programs to name a few.

But I've been told my business does not qualify.

Our team has already recovered over \$100 million in refunds that businesses were entitled to. Many times for companies who were previously told they didn't qualify. It won't cost you a penny to see how much we can recover for you.

How do I check the status of my ERTC?

To check the status of your refund, you can call the IRS directly at (877) 777-4778. You can also always reach out to Jupiter Payments for any updates throughout your refund process.

Can I earn more cash while awaiting my refund?

Refer your friends to us and you can earn even more money for every successfully qualified application.