



Alliance
HUMAN CAPITAL MANAGEMENT

Applicant ID	Page	First	Last	Email	Phone	Job Title	Location	Salary	Start	End	Recruit Status
20230001	1	John	Smith	john@dominos.com	202-555-0001	Assistant Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230002	2	Jane	Smith	jane@dominos.com	202-555-0002	Assistant Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230003	3	Bill	Lee	bill@dominos.com	202-555-0003	Assistant Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230004	4	Sara	Smith	sara@dominos.com	202-555-0004	Store	Washington, DC	\$15,000.00	01/01/2023	01/01/2023	Open
20230005	5	John	Smith	john@dominos.com	202-555-0005	Store Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230006	6	Sara	Smith	sara@dominos.com	202-555-0006	Store	Washington, DC	\$15,000.00	01/01/2023	01/01/2023	Open
20230007	7	John	Smith	john@dominos.com	202-555-0007	Store Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230008	8	John	Smith	john@dominos.com	202-555-0008	Store	Washington, DC	\$15,000.00	01/01/2023	01/01/2023	Open
20230009	9	John	Smith	john@dominos.com	202-555-0009	Store Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open
20230010	10	John	Smith	john@dominos.com	202-555-0010	Store Manager	Washington, DC	\$18,000.00	01/01/2023	01/01/2023	Open

**Employee
Retention Credits**



What is the ERC?

- The ERC is a **tax credit** against the employer's share of Social Security Taxes **even for those with a PPP loan** (more on ERC vs. PPP later)
- Eligible businesses can receive a **credit equal to 50% of wages paid in 2020 and 70% of wages paid in 2021**
- Up to \$10,000 of wages per employee may be claimed



For ERC, how is an “employee” defined?

IRS Definition: “Full-Time Employee”

*The term "full-time employee" means an employee who, with respect to any calendar month in 2019, had **an average of at least 30 hours of service per week or 130 hours of service in the month** (130 hours of service in a month is treated as the monthly equivalent of at least 30 hours of service per week), as determined in accordance with section 4980H of the Internal Revenue Code.*



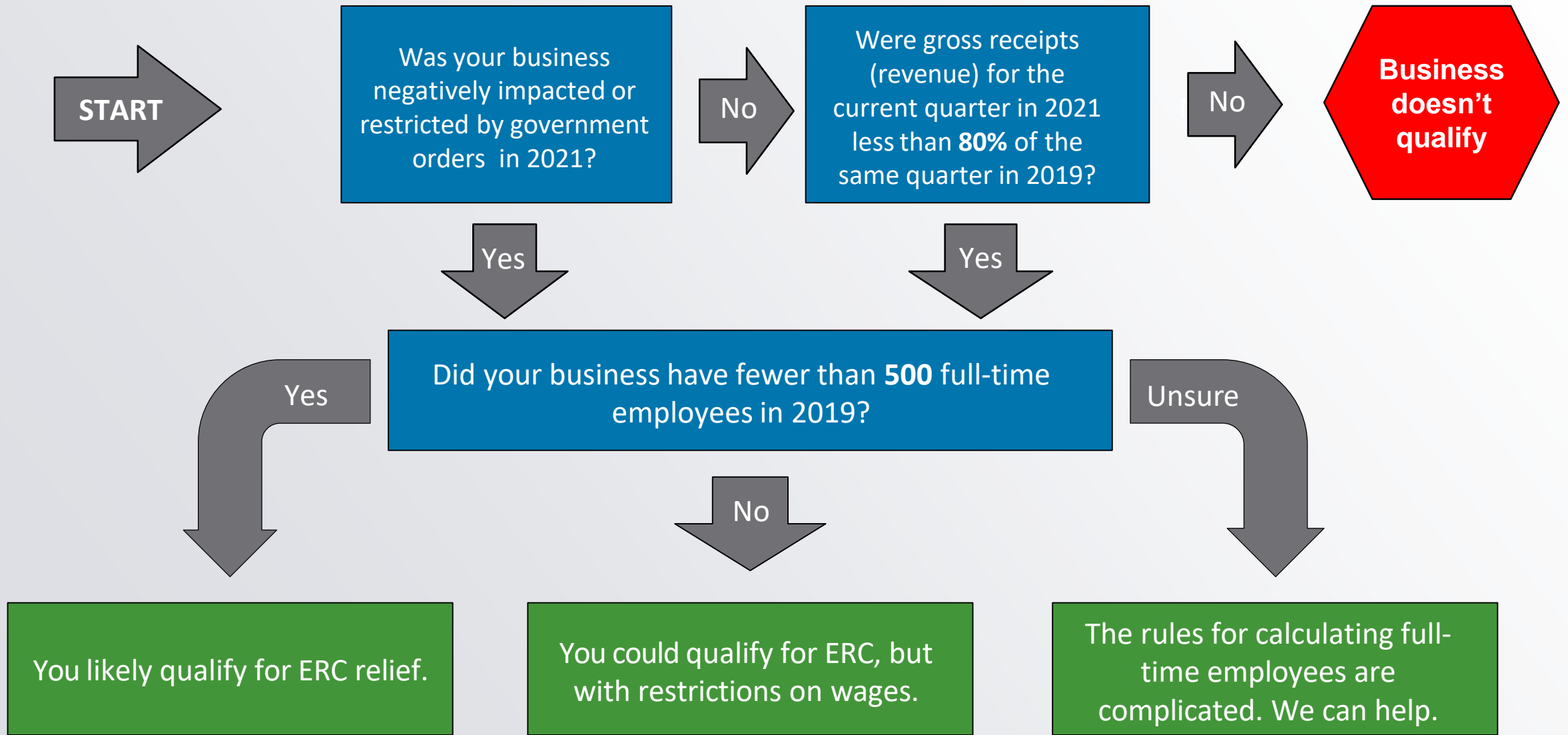


Employee Retention Credit Eligibility 2021





Am I Eligible for ERC in 2021?





Examples of Government Restrictions:

- Full or partial restriction of in-room dining
- Capacity restrictions
- Full closure of business due to non-essential status
- Partial closure of business due to non-essential status
- Health code restrictions
- Limited operations due to governmental restrictions to supply chain

***** Working from home is not considered a governmental restriction *****



Oversimplified ERC 2021 Example:

Summary	
Company	Frank's Burger Joint
Full Time Employees During 2019	5
Wages Paid During Q1 2021	\$ 48,000
Wages Capped at \$10,000 per Employee	\$ 41,000
Tax Credit – %	70.0%
Tax Credit – \$	\$ 28,700

***** Based on our example, for a standard quick-serve restaurant with 40 employees, the credit could be hundreds of thousands of dollars per quarter *****



Employee Retention Credit Eligibility 2020





Am I Eligible for ERC in 2020?




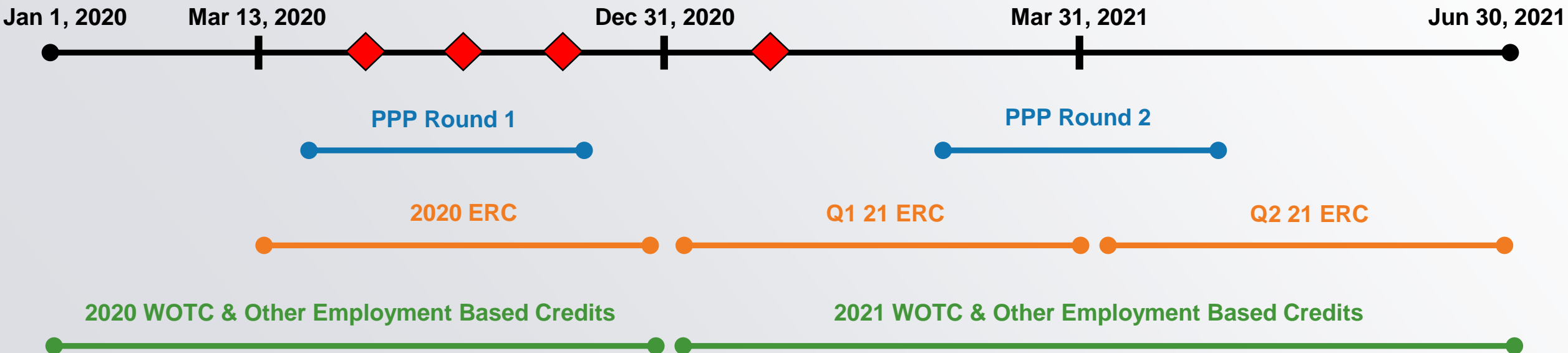


Considerations for the 2020 ERC Lookback:

- We can now “look back” at 2020 ERC for those previously ineligible due to having a PPP loan
- No double dipping; wages that are used for calculating PPP forgiveness cannot also be used to claim ERC, WOTC, etc

Illustrative Timeline

 Filing Deadlines





Summary of 2020 & 2021 ERC:

2020 ERC

- 100 full-time employees, or less
- 50% credit
- \$10,000 cap over the 3/13/2020 – 12/31/2020 period
- PPP borrowers are no longer excluded from participating, but wages cannot be “double dipped”

2021 ERC

- 500 full-time employees, or less
- 70% credit
- \$10,000 cap per quarter over the 1/01/2021 – 12/31/2021 period
- PPP borrowers are no longer excluded from participating, but wages cannot be “double dipped”

A man in a white shirt and patterned tie is sitting at a desk in an office, talking on a mobile phone. He has a wide-eyed, shouting expression. The office is filled with papers, a printer, and framed pictures. A large speech bubble is overlaid on the left side of the image, containing the text 'SHOW ME THE MONEY!' in green, bold, capital letters. The background shows a cityscape through a window.

**SHOW ME
THE MONEY!**



So, How Do I Get My 2021 Credit?

Every Payroll

1. Calculate credit, by employee
2. Code wages by employee by payroll period (mind the \$10,000/Q cap)
3. Total all credits, by each entity
4. Complete and file IRS form 7200, by each entity

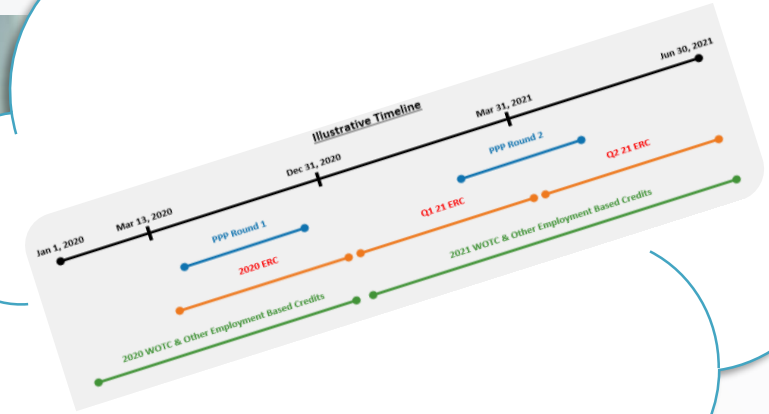
OR

Every Quarter

1. Calculate credit, by employee
2. Total all credits, by each entity
3. Input credit on IRS form 941, by each entity



We Know This New COVID-19 Bill Can Be Difficult and Confusing to Navigate...



Don't Stress! Let Us Manage Your Entire ERC Process!





AllianceHCM's 2021 ERC Turnkey Service Can:

- Assist in determining eligibility of each entity (FTEs, qualifying event, etc.)
- Calculate eligible wages by employees each payroll period
- Ensure wages used for ERC do not exceed the \$10,000 cap, per employee, per quarter
- Balance, process and file all 7200s each payroll period to ensure quicker IRS reimbursement
- Input all necessary data on the quarterly 941 filings and maintain your tax liability shield
- Optimize wages against PPP round 2 forgiveness and all other employment-based tax credits because the IRS won't allow "double dipping" on wages
- **Provide IRS audit defense assistance**



2021 ERC Price:

Only 5% of IRS credits received

2020 ERC Lookback Price:

10% of IRS credits received

Benefits of Utilizing AllianceHCM for 2020 & 2021 ERC



- We have the expertise
- We already handle your payroll taxes, and this is a **payroll tax credit**
- We can determine all calculations, which allows you to **maintain your payroll tax liability shield**
- **We provide IRS audit defense assistance**
- We can guarantee accuracy when it's time to file
- We improve cash flow with quicker IRS payments than an outside provider
- We are including our PPP Loan Forgiveness Application reports AND will maximize the credits to your benefit
- **You will only have one company to hold accountable for all your payroll, ERC, and PPP needs**





Our tax specialists can help answer any questions you might have, as well as assist you in navigating the entire ERC process.



Email us anytime at:
ERC@alliancehcm.com