

# Timeline of ERC

	CARES Act (3/27/20)	CAA (12/27/20)	ARPA (3/11/21)
Availability	<ul style="list-style-type: none"> <li>Wages paid after March 12, 2020 and before January 1, 2021</li> <li>PPP recipients <b>cannot</b> claim ERC</li> </ul>	<ul style="list-style-type: none"> <li>Wages paid after December 31, 2020 and before July 1, 2021</li> <li>PPP recipients <b>can</b> claim ERC retro to March 12, 2020</li> </ul>	<ul style="list-style-type: none"> <li>Wages paid after June 30, 2021 and before January 1, 2022</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>50% decline gross receipts for a calendar quarter in 2020 compared to the same in 2019</li> <li><b>OR,</b></li> <li>Full or partial suspension in operations</li> </ul>	<ul style="list-style-type: none"> <li><b>20% decline</b> gross receipts for a calendar quarter in 2021 compared to the same in 2019</li> <li><b>OR,</b></li> <li>Full or partial suspension in operations</li> </ul>	<ul style="list-style-type: none"> <li>No Change</li> </ul>
Credit Value	<ul style="list-style-type: none"> <li>50% of up to \$10,000 of qualified wages per employee</li> <li>The \$10,000 is an annual cap for 2020</li> </ul>	<ul style="list-style-type: none"> <li><b>70%</b> of up to \$10,000 of qualified wages per employee <b>per quarter</b></li> </ul>	<ul style="list-style-type: none"> <li>No Change</li> </ul>

© 2021 Association of International Certified Professional Accountants. All rights reserved.

What We Know	2020	2021
<b>Definition of Full-Time Employees</b>	<p>For the purposes of the employee retention credit, a full-time employee is defined as one that, in any calendar month in 2019, worked at least 30 hours per week or 130 hours in a month (this is the monthly equivalent of 30 hours per week).</p> <p>Employers who were in business the entire calendar year in 2019 would take the sum of the number of full-time employees in each calendar month and divide by the number of months in business.</p> <p>An employer who started a business in 2020 determines the number of full-time employees by taking the sum of the number of full-time employees in each full calendar month in 2020 that the business operated, and dividing by that number of months.</p>	Same as 2020.
<b>Retroactive Credit</b>	<p>The Consolidated Appropriations Act, 2021, retroactively allows PPP recipients to take the ERTC for wages paid after March 12, 2020 and before Jan. 1, 2021.</p> <p>Employers may amend their tax returns to claim the credit.</p> <p>Note: The amended return process may be different for PEO.</p>	N/A