

EMPLOYEE RETENTION CREDITS



ObiCai is assisting our clients with various forms of government aid, in particular the Employee Retention Credit Program (ERC), which was part of the American Rescue Act legislation of March 2021. The legislation revised the original ERC program included in the CARES Act of May 2020 that stated an employer had to choose between the Paycheck Protection Program (PPP) and ERC. The 2021 legislation expanded, extended, and enlarged the ERC program allowing eligible employers to benefit from both PPP and ERC. Many business owners do not realize that they are now eligible for the ERC even if they previously received PPP or Restaurant Revitalization funds

The ERC has been very lucrative to many small and mid-sized business across the country:

- We have secured refunds for our clients ranging from \$100k to \$3M
- Up to \$26k per employee on payroll (depending on actual paid wages and healthcare)
- Up to \$7k per employee per quarter in 2021 from January 1st, 2021 and can continue to September 30th, 2021 for a total of \$21k
- Recovery Startup Businesses are eligible to continue in the program to December 31st, 2021
- Up to \$5k per employee in 2020
- The IRS will issue refunds checks for any eligible quarters from Q2 2020 through Q4 2021

We welcome the opportunity to discuss eligibility requirements with you and how to start the program. We manage the process from beginning to end with no worries on your end. Our client shave been receiving refunds within 4-6 months.

We help you through a myriad of complexities pertaining to your company's unique situation such as:

- Program benefits to both small and large employers
- Eligibility requirements whether by Revenues or Governmental decree
- Aggregation affiliation rules
- Treatment of furloughed employees & employees paid while not working
- All eligible costs; wages employer paid healthcare and pension contributions
- Full or partial eligibility of Program benefits for the duration or part of the Program's 21 months
- What constitutes a Recovery Startup Business and its benefits under the Program
- Owners wages and wages of owner's family members
- Rules governing Part Time employees
- Nuances of Union and Non-Union situations
- Multi-state companies sort through multiple Governor's Executive Orders impact on eligibility
- Analyzing the mathematical sweet spot to maximize both PPP forgiveness and ERC credits
- Demystifying FAQs from the IRS

EMPLOYEE RETENTION CREDIT PROGRAM QUALIFICATIONS

Even if your business did not have a revenue reduction or was deemed essential... YOU MAY STILL QUALIFY FOR THE ERC!

Some Examples Include:


- Change in business hours
- Partial or full suspension of your operations
- Shutdowns of your supply chain or vendors
- Reduction in services offered
- Reduction in workforce of employee workloads
- A disruption in your business (division or department closures)
- Inability to visit a client's job site
- Suppliers were unable to make deliveries of critical goods or materials
- Additional spacing requirements for employees and customers due to social distancing
- Change in job roles/functions
- Tasks or work that couldn't be done from home or while transitioning to remote work conditions
- Lack of travel
- Lack of group meetings

The key conditions are...

Due to the government order of partial or full suspension, was your business NOT able to continue its activities in a comparable manner and did that result in a more than nominal impact on your business operations?

If you answered yes, reach out to Jaimi at the email below and let her set you up with a free consultation to determine the best way to maximize your refunds!

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