Jorns & Associates

Employee Retention Tax Credits

Jorns & Associates, LLC
IRS PTIN P00539149
CAF 0200-13397R

Learning About Your Firm

- Brief overview of your company and industry.
- How many full-time employees do you have?
- Have you received any PPP loans?
- If so, have they been forgiven?
- What do you know about Employee Retention Credits?

ERC Basics

What it is: Economic stimulus payment

- First introduced in CARES Act on March 25, 2020
- 2020: 50% *wages*, max of $5,000 per employee
- 2021: 70% *wages*, max $21,000 per employee
- *Fully refundable* tax credit against employer portion of Social Security/Medicare.
- Paid to you directly via a check
- Not a Loan and Not Earmarked.
- Claim by filing amended 941-X quarterly returns taking the ERC credit on <u>Line 18 & 26</u>

Most Common Misconceptions About ERC

<u>I do not qualify</u> because my business:

- **Did not have a revenue decline.**
- **Did better during COVID.**
- **Did not shut down.**
- **Received PPP Loans**

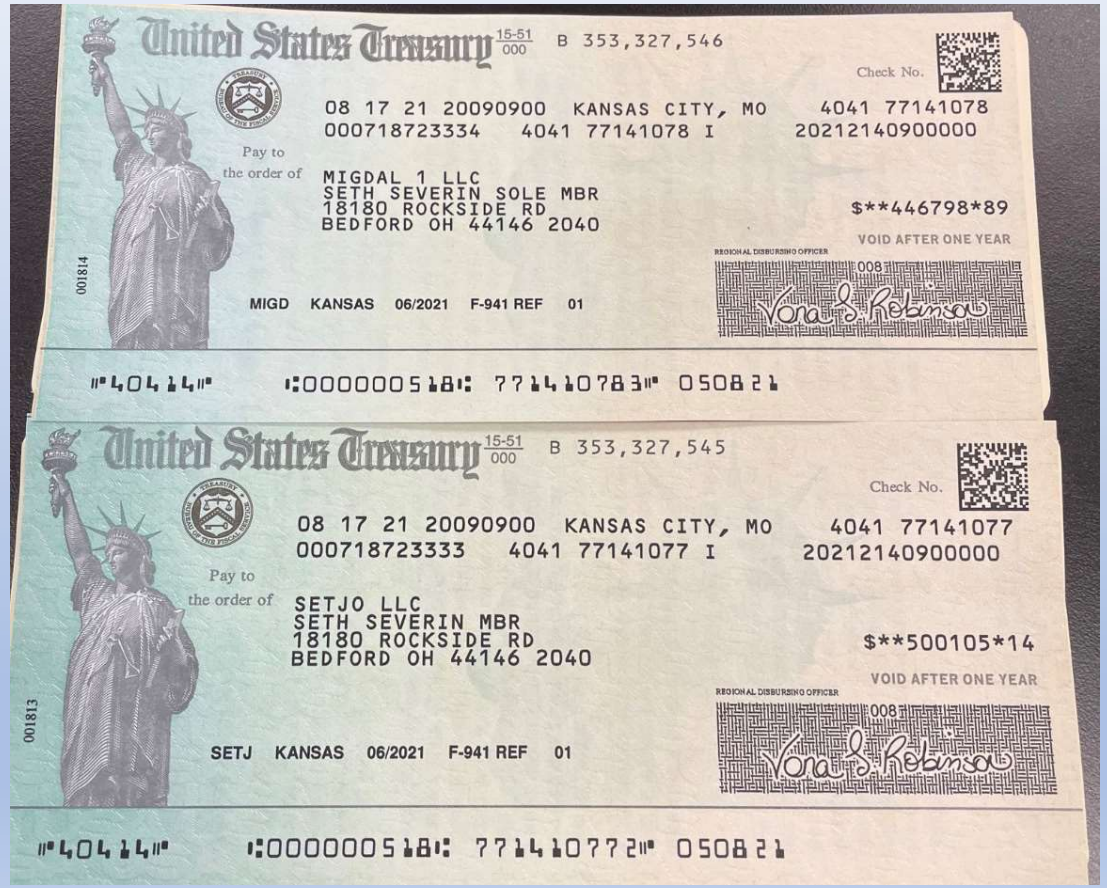
While these are factors in the process, these do not disqualify you.

Qualification Process

- Gross Receipts Reduction 2020 and 2021 vs. 2019? (Quarterly)
- Revenue sectors showing a decline?
- Additional expenses or costs to the business to deal with COVID?
- Trade Shows & Conferences – gone virtual? Not attended?
- How do you engage with customers and prospects?
- What changes did your business make in response to COVID-19?
- What do you not do now or during COVID that your business used to do?
- How were your office operations impacted?
- How were your warehouse and distribution operations impacted?
- How were your customer-facing operations impacted?
- How were your suppliers and key customers impacted?

Fully or partially suspended operation during any calendar quarter in 2020 and/or 2021 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19 (includes working from home).

ERC Results - Actual e-File Q2 Client Checks



United States Treasury 15-51/000 B 353,327,546

Check No.

08 17 21 20090900 KANSAS CITY, MO 4041 77141078
000718723334 4041 77141078 I 20212140900000

Pay to the order of

MIGDAL 1 LLC
SETH SEVERIN SOLE MBR
18180 ROCKSIDE RD
BEDFORD OH 44146 2040

$**446798*89

VOID AFTER ONE YEAR

REGIONAL DISBURSING OFFICER 008

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MIGD KANSAS 06/2021 F-941 REF 01

⑈40414⑈ ⑆000000518⑆ 771410783⑈ 050821

United States Treasury 15-51/000 B 353,327,545

Check No.

08 17 21 20090900 KANSAS CITY, MO 4041 77141077
000718723333 4041 77141077 I 20212140900000

Pay to the order of

SETJO LLC
SETH SEVERIN MBR
18180 ROCKSIDE RD
BEDFORD OH 44146 2040

$**500105*14

VOID AFTER ONE YEAR

REGIONAL DISBURSING OFFICER 008

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SETJ KANSAS 06/2021 F-941 REF 01

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Scope of Our Engagement

You	Us
Provide us with contact information & introductions to your CPA, bookkeeper / controller / payroll	Coordinate tax items with your CPA firm Coordinate payroll items with bookkeeper / controller
Complete our basic client questionnaire	Document qualification/compliance based on your questionnaire
Provide us with payroll reports from 2019 & 2020. Provide us with PPP Forgiveness Application. FFCRA, RRF, SVOG.	Calculate Wage Attribution between PPP and ERC
Provide us original 941 returns from your payroll provider	File **941-X** amended returns with the IRS

Guarantee and Audit Support

We DO NOT guarantee any specific refund amount until we have payroll data

We DO guarantee that our calculations are accurate

We DO guarantee that our filings with the IRS as a paid-preparer are compliant with program rules and regulations

We DO provide long-term audit support and carry E&O (errors and omissions) insurance coverage with $1 Million limit per claim

Service Fee Structure

No financial risk of working with Jorns & Associates; a contingency fee of 15% on amount of credits delivered (See Note 1)

Fully refundable deposit of $2,600 due at signing.

Software-performed calculations eliminate human error

Audit-ready package including compliance services

Note 1: A deposit towards the contingency payment is customarily requested to begin the engagement to ensure client is timely with delivery of required payroll data and 941s. This deposit is subtracted from the amount due when Client receives the tax credit refund check. This deposit is fully refunded if we cannot submit a claim for any reason whatsoever. **Refundable $2,600 Deposit**

Next Steps And Timeline

- Sign the Engagement letter.
- Remit the Fully Refundable Deposit.
- Provide Completed Questionnaire and the Required Documents.
  - Revenue Spreadsheet
  - 941s
  - Payroll Documents
  - PPP Details
- Onboarding Specialist is Assigned to Your File.
- CPAs Prepare Filing Documents.
- Client Review the revised 941x documents.
- Documents Signed and we mail all documentation to the IRS.
- In approximately 14-20 weeks, you will receive your check from the IRS.
- We will invoice you for the remaining balance, due after you receive payment.

FAQs: Employee Retention Credit under the CARES Act

Topics in the News
Coronavirus Tax Relief
Economic Impact Payments
News Releases
Multimedia Center
Tax Relief in Disaster Situations
Tax Reform
Taxpayer First Act
Tax Scams/Consumer Alerts

This Page is Not Current

Find current guidance on the Employee Retention Credit for qualified wages paid during these dates:

- After March 12, 2020 and before January 1, 2021 – Notice 2021-20 PDF, Notice 2021-49 PDF and Revenue Procedure 2021-33 PDF
- After December 31, 2020 and before July 1, 2021 – Notice 2021-23 PDF, Notice 2021-49 PDF and Revenue Procedure 2021-33 PDF
- After June 30, 2021 and before January 1, 2022 – Notice 2021-49 PDF and Revenue Procedure 2021-33 PDF

These FAQs do not reflect the changes made by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act), enacted December 27, 2020, or the American Rescue Plan Act of 2021 (ARP Act), enacted March 11, 2021. The Relief Act amended and extended the employee retention credit (and the availability of certain advance payments of the tax credits) under section 2301 of the CARES Act for the first and second calendar quarters of 2021. The ARP Act modified and extended the employee retention credit for the third and fourth quarters of 2021.

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