



Jorns & Associates

Employee Retention Credit Frequently Asked Questions

What is the Employee Retention Credit (ERC)?

The ERC is a refundable payroll tax credit. Eligible businesses can receive up to \$26,000 per employee. 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 ERC. In 2021, as part of the Consolidated Appropriations Act, Congress amended this provision, allowing businesses to apply for both.

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

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

Why haven't I heard of the ERC before?

The PPP was heavily marketed by the SBA, while the ERC is claimed directly through the US Treasury. 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. ERC is all we do. It's like the difference between your family doctor and a neurologist. By concentrating on this one program, we understand the intricacies and nuances involved in determining your eligibility and accurately calculating your refunds.

How do I know if my business qualifies?

The IRS expects 70% - 80% of small and medium businesses to qualify. (Read this [Forbes article!](#)) 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, inability to travel or attend conventions. Talk to one of our specialists to find out more.

What if we wait to claim the ERC?

Time is of the essence as the program has technically expired. 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.

What is your fee and when do we pay it?

To begin the process of recovering your refunds, we ask for a 100% refundable deposit of \$2,600. This will be returned to you if we are unable to qualify your business. Once engaged to recover your refunds, our fee is 20% of your recovered funds, less your deposit, with no hidden costs. Our fee includes preparation of your claims by an expert CPA or Tax Attorney who specializes in qualifying, substantiating, calculating, and claiming ERC refunds. We also stand behind our work with Audit Protection at no additional cost, backed by \$1million in E&O insurance per client.

How long will it take to receive my refund?

Our work will be completed and sent for filing in between 2 weeks and 2 months of receiving your documents. You will receive refund checks from the US Treasury in 4 - 8 months depending upon backlog. The longer you wait, and any delays in responding to our team for document requests, 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 ERC 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 100s of millions of dollars in refunds that businesses were entitled to. Many times for companies who were previously told they didn't qualify by their own CPAs and tax professionals. Our deposit is 100% refundable if we are unable to qualify you. There is zero risk to see how much we can recover for you.