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FAQs: Employee Retention Credit under the CARES Act

The Employee Retention Credit under the CARES Act encourages businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

Frequently Asked Questions

- [General Information \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-general-information-faqs\)](#)
- [Determining Which Employers are Eligible to Claim the Employee Retention Credit \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-determining-which-employers-are-eligible-to-claim-the-employee-retention-credit-faqs\)](#)
- [Determining Which Entities are Considered a Single Employer Under the Aggregation Rules \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-determining-which-entities-are-considered-a-single-employer-under-the-aggregation-rules-faqs\)](#)
- [Determining What Types of Governmental Orders Related to COVID-19 May be Taken into Account for Purposes of the Employee Retention Credit \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-determining-what-types-of-governmental-orders-may-be-taken-into-account-for-purposes-of-the-employee-retention-credit-faqs\)](#)
- [Determining When an Employer's Trade or Business Operations are Considered to be Fully or Partially Suspended Due to a Governmental Order \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-determining-when-an-employers-trade-or-business-operations-are-considered-to-be-fully-or-partially-suspended-due-to-a-governmental-order-faqs\)](#)
- [Determining When an Employer is Considered to have a Significant Decline in Gross Receipts \(/web/20200506041613/https://www.irs.gov/node/78096#gross_receipts\)](#)
- [Determining the Maximum Amount of an Eligible Employer's Employee Retention Credit \(/web/20200506041613/https://www.irs.gov/node/78096#max_amount\)](#)

- [Determining Qualified Wages \(/web/20200506041613/https://www.irs.gov/node/78071\)](https://www.irs.gov/node/78071)
- [Determining the Amount of Allocable Qualified Health Plan Expenses \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-amount-of-allocable-qualified-health-plan-expenses-faqs\)](https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-amount-of-allocable-qualified-health-plan-expenses-faqs)
- [How to Claim the Employee Retention Credit \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-how-to-claim-the-employee-retention-credit-faqs\)](https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-how-to-claim-the-employee-retention-credit-faqs)
- [Interaction with Other Credit and Relief Provisions \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-interaction-with-other-credit-and-relief-provisions-faqs\)](https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-interaction-with-other-credit-and-relief-provisions-faqs)
- [Special Issues for Employees: Income and Deduction \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-special-issues-for-employees-income-and-deduction-faqs\)](https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-special-issues-for-employees-income-and-deduction-faqs)
- [Special Issues for Employers: Income and Deduction \(/web/20200506041613/https://www.irs.gov/node/78111#income-and-deduction\)](https://www.irs.gov/node/78111#income-and-deduction)
- [Special Issues for Employers: Use of Third Party Payers \(/web/20200506041613/https://www.irs.gov/node/78111#third-party-payers\)](https://www.irs.gov/node/78111#third-party-payers)
- [Other Issues \(/web/20200506041613/https://www.irs.gov/node/78111#other-issues\)](https://www.irs.gov/node/78111#other-issues)

Where can I get more information?

- [COVID-19-Related Employee Retention Credits: Overview \(/web/20200506041613/https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-overview\)](https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-overview)
- [Coronavirus Tax Relief \(/web/20200506041613/https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments\)](https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments)
- [New Employer Tax Credits \(/web/20200506041613/https://www.irs.gov/coronavirus/new-employer-tax-credits\)](https://www.irs.gov/coronavirus/new-employer-tax-credits)
- Department of Labor's [COVID-19 and the American Workplace \(https://web.archive.org/web/20200506041613/https://www.dol.gov/agencies/whd/pandemic/\)](https://www.dol.gov/agencies/whd/pandemic/)
- Small Business Administration's [Paycheck Protection Program \(https://web.archive.org/web/20200506041613/https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp\)](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp)

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