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recovery. page 66

# Can the ERC Help Your Business?

**IPG Law Group** helps owners of small to medium-sized businesses reap the financial benefits of a little-known federal program designed to fuel the post-pandemic recovery. BY **BILL DONAHUE**



Jonathan Field, a partner with IPG Law Group

For some, March 15, 2020, seems like ancient history. For business owners hurt by the COVID-19 pandemic, however, the date marks the beginning of a lengthy period of fear and uncertainty that remains seared in their minds.

"I spoke with the owner of a small refrigeration company, and his goal [prior to the pandemic] was to become a supplier of ice in Florida—as close to a recession-proof business as you can get," says Jonathan Field, a partner with the law firm IPG Law Group. "All of his clients were bars, restaurants, and hospitality businesses. He was watching the news on March 15, 2020, when they announced the shutdown, and all of a sudden the business he thought was recession proof went up in smoke."

Field has been helping pandemic-stung businesses ever since. As an IRS enrolled agent, he specializes in helping the owners of small to medium-sized businesses navigate the complex federal and state programs created to promote recovery in the pandemic's aftermath. One of those stimulus programs is the Employee Retention Credit (ERC), which was part of the CARES Act passed by Congress on March 27, 2020. The program, which is far lesser known than the CARES Act's Paycheck Protection Program (PPP), was designed to uplift businesses that retained their employees despite the challenges imposed by the pandemic.

"Everyone has heard of the PPP, and it was a great success, but the ERC is a different story," says Field, a West Point graduate who went on to serve his country in the U.S. military. "The IRS administers the ERC, and they don't advertise it, so not as many people have heard of it or benefited from it. In the first stimulus package, businesses had to choose between the PPP and the ERC. There have since been some fundamental changes to the ERC that have made it incredibly valuable to small and medium-sized businesses."

Businesses no longer have to choose between the ERC and the PPP, for example. The ERC also became retroactive, meaning eligible and qualified businesses can "go back in time" to recapture credits—i.e., money—to which they are entitled. Lastly, the amount of money available to qualified businesses has grown to as much as \$33,000 per employee per year, according to Field.

"There is no forgiveness process with the ERC," he adds. "Businesses have full discretion regarding what to do with the money, and they don't have to report to the IRS what they do with the money. I worked with one business owner who runs an oil-change shop, and he was using the money to open a second location; he's putting the money back into his community. This is what the program can do for businesses and the communities those businesses support. It's a great win."

Finding out whether an eligible business qualifies for the program can be a complex process, especially as the eligibility and qualifications have evolved. Eligible employers include those that had their operations fully or partially suspended by government order during any calendar quarter in 2020, those whose businesses were affected by social distancing, or those who experienced significant declines in gross receipts during any quarter in 2020. Also, eligibility extends to any "recovery startup business"—meaning one that began operation after Feb. 15, 2020, with average annual gross receipts of no more than \$1 million through the end of 2020.

"The requirements changed lightly in 2021 to the benefit of businesses," Field says. "The program expanded eligibility to businesses with as many as 500 full-time employees, as opposed to 100. A lot of business owners might qualify but look at the requirements and assume, 'That's not for me.' We worked with a 700-person company that was too big in 2020, but in 2021 we got them an ERC credit of \$4.9 million."

Put another way, a business owner may have a great deal to gain by having an experienced professional review their enterprise's eligibility. IPG Law Group offers a free evaluation to begin the process. As one of the earliest adopters of the ERC program, IPG has helped thousands of businesses. Field's clients have been receiving ERC funds since last summer—some amounting to millions of dollars.

"We're still submitting claims for businesses every day," Field adds. "The time period for wages eligible is from March 12, 2020, to December 31, 2021. Because of the dates, some people think the program is over, but those dates only apply to wages paid during that time. The government extended the deadline to apply for the credit to five years, but that could change, so there's no reason to wait to apply."

"Everyone needs to look at this," he continues. "It's not just for hospitality businesses; we've helped surgeons, dentists, schools, and even other law firms. Taking a few minutes to look into it can be the difference between getting no money and getting hundreds of thousands of dollars to put back into your business." ■



**For more information on IPG Law Group and its expertise with the ERC program,** visit [ipglawgroup.com](http://ipglawgroup.com) or [erc33.com](http://erc33.com).

**For a free evaluation,** call "Chip" at (610) 290-0407.