



YE IMPORTANT: Update and Clarification About COVID Credits in 2021

Dear Valued Client,

UPDATE

On December 11, the IRS [announced](#) that the deadline to file Form 7200 for advanced payment of COVID credits has been moved from January 31, 2021, to February 1, 2021.

CLARIFICATION

For employers who still have employees “on retention” through December 31, 2020, and are claiming the employee retention credit created by the CARES Act, here's an important clarification to information previously communicated by email and on Viventium webinars.

Pursuant to IRS guidance found [here](#), qualified wages for the ERC must be paid “after March 12, 2020, and before January 1, 2021.”

Thus, if employees earned retention wages through December 31, 2020, you will NOT be entitled to a credit if you pay those wages with a 2021 check date. Instead, you would need to instruct your [Dedicated Client Service Team](#) to hold your year open and process an unscheduled adjustment payroll with a 2020 check date for those wages.

This differs from FFCRA wages earned through December 31, 2020, which can be paid with a 2021 check date (although, see our [communication from December 8, 2020](#), about tracking limits in this situation).

If you have any additional questions about claiming year-end ERC credits, please contact your [Dedicated Client Service Team](#).

In it with you,

Your Viventium Client Service Team