



Action May Be Required: FFCRA and ERC Changes to Know

Dear Valued Client,

Tracking COVID credits often feels like aiming at a moving target. But at Viventium, we keep the goal in your sights. That's why we want to update you on the two latest COVID credit developments.

On July 29, [the IRS announced](#) additional reasons for which you can choose (if you have less than 500 employees) to grant your employees paid leave and receive refundable payroll tax credits.

These new reasons apply to both paid sick leave and paid family leave. As a reminder – there's no obligation to pay this leave, but if you choose to do so, you can claim the credits. The credits are set to expire on September 30, 2021.

Additionally, on August 4, the IRS released [Notice 2021-49](#) with clarifications regarding the Employee Retention Credit, including guidance that wages paid to a more-than-50% owner of a corporation (and that owner's spouse) are not eligible for ERC credits, retroactive to the beginning of the ERC in the second quarter of 2020.

Action may be required: If you have a more-than-50% owner and/or their spouse on payroll, check if you counted their wages toward ERC credits, and if so:

1. Consult with your CPA to determine if amendments are needed, and
2. Reach out to your payroll provider to explain the situation, request the amendments, and deposit the additional liabilities.

For more information on these changes to FFCRA and the ERC, check out our [latest article](#).

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As always, count on Viventium to keep you up to date with the latest COVID relief developments and be sure not to miss our upcoming webinar [Finishing with Forgiveness: A Hands-On PPP Workshop](#).

In it with you,
Your Viventium Team