

## **FACT SHEET: DELAY OF PAYMENT AND EMPLOYEE RETENTION**

Start Date: March 01, 2020

End Date: through June 30, 2020

### **TAX CREDITS**

This section of the bill was written to prevent workers from losing their jobs and small businesses from going out of business due to economic losses caused by the coronavirus pandemic. The plan provides cash-flow assistance through 100 percent federally-guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven. This proposal would be retroactive to March 1, 2020, to help bring workers who may have already been laid off back onto payrolls.

#### **Delay of payment of employer payroll taxes**

*Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021, and the other half by December 31, 2022.*

#### **Employee retention credit for employers subject to closure due to COVID-19**

Provides a refundable payroll tax credit for 50 percent of wages paid, up to \$10,000, by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year. The credit is based on qualified wages paid to the employee. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances described above.

For more information on COVID-19-related paid leave or tax credits, contact:

NaLee Park of the IRS at 202-317-6798

IRS Website: <https://www.irs.gov/coronavirus>