Determining whether employer can claim credit for an employee

During a 2020 quarter, were the employer’s operations either fully or partially suspended under government order limiting commerce, travel, or group meetings due to COVID-19?

Did the employer receive a Small Business Interruption Loan ("Paycheck Protection Loan") under the Paycheck Protection Program (PPP)?

Was the employer allowed a Work Opportunity credit for the employee for the same 2020 quarter?

During a 2020 quarter, were the employer’s operations either fully or partially suspended under government order limiting commerce, travel, or group meetings due to COVID-19?

Did the employer pay the wages in question to the employee after March 12, 2020, and before January 1, 2021?

Was the employer allowed a Work Opportunity credit for the employee for the same 2020 quarter?

Was the employee any of the following?
- relative or dependent of employer
- owner of over 50% in value of employer’s stock
- owner of over 50% of capital and profits interests in employer

Employee Retention Credit allowed for wages paid to employee for time employee is NOT providing services during a period when either—
- employer’s operations were fully or partially suspended under government order due to COVID-19, or
- employer had a period of significant decline in gross receipts

For this employer, qualifying wages cannot exceed what the employee would have been paid for working an equivalent duration during the 30 days immediately before the period.

Employee Retention Credit allowed for wages paid to employee (whether or not employee was providing services) during a period when either—
- employer’s operations were fully or partially suspended under government order due to COVID-19, or
- employer had a period of significant decline in gross receipts
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Is the employer a governmental employer?  

YES  NO

NO  Paid Sick Leave Credit or Paid Family Leave Credit

Has the employer claimed an exemption from providing paid sick or family leave under U.S. Dept. of Labor rules? For details, see https://www.dol.gov/agencies/whd/pandemic/ffcra-questions.

Yes  NO

Did employer have less than 500 full-time and part-time employees in the U.S. (includes any state, District of Columbia, or U.S. territory or possession) when the employee was to go on leave? For details, see https://www.dol.gov/agencies/whd/pandemic/ffcra-questions.

YES  NO

Did the employee take the leave at any point during the period April 1, 2020, through December 31, 2020?

YES  NO

What is the reason for the employee’s leave?

Employee cannot work or telework because he or she:

- is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
- has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; or
- is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

Paid Sick Leave Credit allowed for up to $511/day ($5,110 total for up to 10 days per employee)

Employee cannot work or telework because he or she must care for a son or daughter under age 18, because either:

- the child’s school or place of care has been closed due to a public health emergency declared for COVID-19; or
- the child’s care provider is unavailable due to COVID-19 precautions;
- the child’s school or place of care has been closed due to a public health emergency declared for COVID-19; or
- the child’s care provider is unavailable due to a public health emergency declared for COVID-19

Paid Sick Leave Credit allowed for up to $200/day ($2,000 total for up to 10 days per employee)

Paid Family Leave Credit allowed for up to $200/day ($10,000 total for up to 10 weeks per employee)

Special rule applies for employers of “health care providers” and “emergency responders”. For details, see https://www.irs.gov/newsroom/covid-19-related-tax-credits-special-issues-for-employees-and-additional-questions-faq#additional.