



# CLIENT INFORMATION AND DATA REQUEST FORM

CARES Act Employee Retention Tax Credit (ERC)

*April 2021*

## **I. CARES ACT ERC OVERVIEW.**

Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (The "CARES Act") on March 27, 2020 to address the negative economic impact of the COVID-19 pandemic in the United States. The CARES Act included an Employee Retention Credit ("ERC"), a fully refundable tax credit for employers equal to fifty percent (50%) of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. The ERC applies to qualified wages paid after March 12, 2020, and before January 1, 2021. The maximum amount of qualified wages that an employer may credit with respect to each employee for all calendar quarters is \$10,000, so the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$5,000. For Eligible Employers with more than 100 employees, "qualified wages" is equal to the amount of non-service wages paid to employees during the quarter, subject to the thresholds mentioned above.

"Eligible Employers," for the purposes of the CARES Act ERC, are employers (including tax-exempt organizations) that carry on a trade or business during calendar year 2020 and that meet one of two tests: (1) their business operations are fully or partially suspended during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19 (the "Governmental Orders Test"); or (2) they experience a significant decline in gross receipts during any calendar quarter in 2020 (the "Gross Receipts Test"). For these purposes, a significant decline in gross receipts is met if gross receipts for any calendar quarter in 2020 are less than 50% of gross receipts for the same calendar quarter in 2019.

On December 27, 2020, the President signed a second COVID-19 relief package into law which reformed and extended certain provisions of the CARES Act ERC. The new legislation retroactively removed the provision which barred employers who took a Paycheck Protection Program (PPP) loan from also taking the ERC. Now, employers who received a PPP loan can take the ERC, just not on the same wages. Other notable changes include: (1) extension of the credit through July 1, 2020; (2) increase of the credit to 70% of \$10,000 per quarter in 2021; (3) reduction of the Gross Receipts Test threshold to a 20% reduction in 2021; and (4) explicitly allows for public universities and public medical providers to be considered eligible employers. On March 11, the American Recovery Plan ("ARP") was signed into law which extended the ERC through the end of 2021.

## **II. WORK PLAN.**

- A. Phase I - Payroll Analysis.** Synergi analyzes Client payroll to determine what constitutes qualified wages (which depends on 2019 headcount).
  - i. Small Employers.**
    - 1. Definition: Employers with <100 employees (full-time) in 2019 for ERC in 2020 (increases to < 500 for ERC in 2021).
    - 2. Qualified Wages: All wages and employer healthcare costs are included in the ERC calculation.
  - ii. Large Employers.**
    - 1. Definition: Employers with > 100 employees (full-time) in 2019 for ERC in 2020 (increases to > 500 employees for ERC in 2021).
    - 2. Qualified Wages: Only non-service wages and an allocable portion of employer health insurance costs are included in the ERC calculation. Synergi reviews and analyzes pay codes and determines which codes are qualified wages then allocates health insurance to each employee.
- B. Phase II - Work Task Study.**
  - i. Only needed for Large Employers.
  - ii. Synergi analyzes metrics to isolate unworked time in regular worked wages to maximize the credit.
- C. Credit Delivery.**
  - i. TSM delivers a credit package by EIN, Location and Employee to the client via email.
  - ii. TSM schedules a call to review the credit.
- D. Monetization of ERC.**
  - i. Small Employers:** Client files Form 7200 (if applicable); Form 941; and/or Form 941X with the IRS. Client has the option to request a refund or withhold future federal tax deposits. TSM will explain filing options and provide a filing guide.
  - ii. Large Employers:** Client files Form 941 and/or Form 941X with the IRS. Client has the option to request a refund or withhold future federal tax deposits. TSM will explain filing options and provide a filing guide.

**III. GENERAL COMPANY INFORMATION.**

- A. Full Legal Name
- B. Address
- C. Entity Type (*check one*)
  - C Corporation
  - Limited Liability Company
  - Partnership
  - 501(c)(3) Organization
  - S Corporation
  - Other:

**D. FEIN**

Check If multiple entities claiming the ERC.

*Please submit an attachment which lists the entity and corresponding FEIN, or utilize the attachment 'Location Template - CARES (Synergi).'*

**E. Miscellaneous**

- i. Payroll & Employment Tax Filing Provider:
- ii. Insurance/Benefits Provider:
- iii. WOTC Provider (if any):
- iv. Organizational Chart:

**F. Aggregation Rule: Common Control and Affiliated Service Entities.**

Synergi will consider all entities within your organization as aggregated under Section 2301(d) of the CARES Act (which references Section 52(a) and (b) and 414 (m) and (o) of the Internal Revenue Code) and views them as one employer for purposes of (1) determining whether your company is eligible for the credit; and (2) for conducting a headcount. The headcount determination dictates what wages are considered qualified wages for purposes of the CARES Act ERC.

Client acknowledges the CARES Act ERC calculation is dependent upon headcount which is dependent upon an analysis of the Code sections set forth above (and linked below) to determine whether a Client with multiple entities within its organization are commonly controlled. Synergi presumes all entities are aggregated for purposes of the CARES Act ERC. However, If Client wishes to treat all or certain entities as not commonly controlled/aggregated, please click "opt out" below and provide a list of the entities which should be treated separate from the overall organization.

**Opt Out of Aggregation**

List of Entities to Treat Separately:

**G. Owners and Related Individuals.**

- i. Does any entity or individual own 50% or more of your company?

Yes No

- ii. If yes to (i), is the owner an employee?

Yes No

List names of owners:

- iii. If yes to (i), does an owner have any related individuals (i.e. family) employed at the company?

Yes No

List names of related individuals:

#### IV. EMPLOYEE INFORMATION.

The CARES Act ERC Headcount determination dictates whether an employer is classified as a large employer or small employer. This classification dictates what constitutes qualified wages.

*CARES Act ERC average 2019 Headcount = (# full-time employees per month (i.e., any employee averaging over 30 hours/week)/ 12*

The accuracy of the information provided by the client for purposes of determining headcount is the sole responsibility of the client and will be used as a basis to calculate the credit. Synergi is not responsible for any inaccurate information provided by the client in the below fields.

- A. Current Headcount
  - i. # of Full Time Employees.
- B. 2019 Annual Average
  - i. # Full Time Employees.
- C. In 2019, our business had an average of:
  - i. Less than 100 average full-time employees
  - ii. 101–500 average full-time employees
  - iii. Greater than 500 average full-time employees

Please check if your company did not operate in 2019, or only operated for a portion of 2019.

#### V. PAYCHECK PROTECTION PROGRAM LOAN.

- A. Did your company receive a Paycheck Protection Program loan in 2020?  
Yes      No

If yes, complete 1–9 below:

- i. FEIN Associated
- ii. PPP Loan Amount:
- iii. Percentage Used on Payroll:
- iv. Effective Date of Loan:
- v. Amount Forgiven (or expected):
- vi. Date Forgiven:
- vii. PPP Pay Period Start Date:
- viii. PPP Pay Period End Date:
- ix. Number of Weeks on PPP:
- x. Other Details:

- B. Did your company receive a Paycheck Protection Program loan in 2021?  
Yes      No

If yes, complete 1-9 below:

- i. FEIN Associated
- ii. PPP Loan Amount:
- iii. Percentage Used on Payroll:
- iv. Effective Date of Loan:
- v. Amount Forgiven (or expected):
- vi. Date Forgiven:
- vii. PPP Pay Period Start Date:
- viii. PPP Pay Period End Date:
- ix. Number of Weeks on PPP:
- x. Other Details:

- C. If your organization received PPP loans on more than one entity, please complete the attached Paycheck Protection Loan Program Details documentation.

**VI. INDUSTRY & LOCATION INFORMATION.**

- A. Please select an industry:
- B. Please complete the attachment 'Location Template - CARES (Synergi)'
- C. Please list any states where you regularly conduct business but do not have a physical location.

**VII. CONTACT INFORMATION**

**A. Primary**

Name  
Address  
Email  
Phone

**B. Invoicing**

Name  
Address  
Email  
Phone

**C. Payroll**

Name  
Address  
Email  
Phone

**D. Other**

Name  
Address  
Email  
Phone

**VIII. BUSINESS OPERATIONS INFORMATION.**

Provide a brief description of your business operations.

**IX. ELIGIBILITY.**

An employer is eligible for the ERC pursuant to *either* a Gross Receipts Test or the Government Orders Test. Note, if you qualify under the Gross Receipts Test for a given quarter, you do not have to also satisfy the Government Orders Test.

**A. Gross Receipts Test.** An employer is eligible for the ERC if they have experienced a “significant decline in gross receipts.” Prior to January 1, 2021, an employer satisfies this test if gross receipts for a calendar quarter are less than 50% of gross receipts for the same calendar quarter in the prior year. Beginning January 1, 2021, an employer satisfies this test if gross receipts are less than 80% of the gross receipts for the same calendar quarter in 2019. Please provide your gross receipts data by completing the attached Gross Receipts Worksheet. If multiple entities make up your organization, please include a separate tab for each entity.

**B. Government Orders Test.** An employer is eligible for the ERC if they have experienced *either* a partial or a full suspension of business operations during a given quarter. Please describe how your business operations have fully or partially suspended due to a Government Order or directives (State, Local or Federal).

Suspension Examples:

- Reduction in workforce or employee's workloads
- Division of Department Closures
- Travel and Meeting restrictions
- Location closures
- Tasks or work that couldn't be done from home or while transitioning to remote work conditions
- Curfews
- Supply chain issues (couldn't get supplies or couldn't get product/services to customers)
- Inability to access customers
- Covid restrictions, CDC and OSHA requirements (Staggered shifts, Increased Employee spacing)
- Covid exposure, quarantine & shutdowns

*Please complete the attached Suspension Details Form. **NOTE:** Eligibility is determined on a quarterly basis, so the dates these suspensions impacted your company are important.*

## X. DATA REQUIREMENTS.

Set forth below is a general summary of the requirements for the data necessary to process your ERC. Attached is a Data Guide for any supplemental files you may need to provide (i.e. Insurance costs). **NOTE:** Data not provided in the requested format may cause processing delays.

### A. Payroll.

- Large employers, please provide a coding legend that includes a list of all codes utilized and a detail of what is included in each code.
- Data format should be linear (i.e. one row per employee per pay period).

### B. Insurance.

- All employer health insurance costs back to 1/1/2020.
- If separate from payroll data, please see the Insurance Costs Data Guide.
- Any Employer HSA Contributions  
*Please refer to attachment 'Synergi Partners Payroll Data Guide'.*

## XI. WORK TASK STUDY (WTS).

### A. WTS Overview.

For large employers only (2019 headcount is >100 full time employees for 2020; or > 500 for 2021), a WTS may be necessary to optimize your ERC.

The goal of a WTS is to capture additional qualified wages by analyzing certain metrics to identify wages paid to employees for time where an employee was not providing service that is not identifiable in payroll codes alone and include such wages in the ERC calculation.

### B. Questions.

- Did you pay employees for time they were not working (i.e. a location closed for cleaning, but people were paid anyway; COVID-19 Exposure and temporary shutdown)?  
Yes    No
- Did you pay any specific COVID-related bonuses (ex: Hero Pay or Show up Pay)?  
Yes    No
- Did your employees experience a reduction in workload or job tasks as a result of COVID-19 impacts?  
Yes    No
- If yes to any of the above, do these situations impact more than 50 employees?  
Yes    No

## XII. OTHER CREDITS, INCENTIVES, AND ASSISTANCE.

- A. Wages paid for with certain funds must be backed out of the CARES Act ERC calculation. Please check if you have taken/claimed any of the following credits or grants so that a Synergi representative can make a determination whether it impacts your CARES Act ERC calculation.

Work Opportunity Tax Credit  
Employee Retention Disaster Credit (ERDC)  
Air Manufacturing Payroll Support Program  
Family and Medical Leave Act Credit (FMLA)  
Families First Coronavirus Response Act Credit (FFCRA)  
Research and Development Credit  
Indian Employment Credit  
Active Duty Wage Credit  
Empowerment Zone Employment Credit  
Shuttered Venue Operator Credit

**CLIENT ACKNOWLEDGES THAT ALL INFORMATION PROVIDED TO SYNERGI PARTNERS IN THIS FORM IS RELIED UPON BY SYNERGI PARTNERS AND IS UTILIZED TO DETERMINE ELIGIBILITY AND QUALIFIED WAGES FOR THE CARES ACT EMPLOYEE RETENTION CREDIT AND REPRESENTS THAT, TO THE CLIENT'S KNOWLEDGE, SUCH INFORMATION IS TRUE, ACCURATE AND COMPLETE IN EVERY MATERIAL RESPECT.**

CIF Completed by: (NAME)

(TITLE)

Date: