



SAGEMONT
TAX SERVICES

**Navigating
the **Employee**
Retention Credit**

How does a company become **eligible** for the ERC?

TEST #1

Substantial Decline in Gross Receipts Test

Did your
gross receipts
decline by:

▶ **50%**

Per quarter

comparing each quarter in 2020
to the same quarter in 2019?

▶ **20%**

Per quarter

comparing Q1, Q2 and Q3 of 2021
to the same quarter in 2019?

TEST #2

Partial Suspension of Operations Test

Was your company's
ability to provide goods
or services restricted
or modified by a COVID
executive order?

If so, would your company
have been able to provide

▶ **10%** **in additional
goods or services**

if such COVID executive orders
were never enacted?

How are “partial suspensions” likely to arise?

Partial suspensions of operations are generally caused by the following **COVID executive orders:**

1. Social distancing and capacity restrictions;
2. Increased sanitization mandates;
3. Employees being out of work due to contracting COVID or being exposed to COVID;
4. Supply chain issues resulting from suppliers experiencing a “partial suspension”;
5. Court closures (this is generally applicable to law firms);
6. The moratorium against evictions (this is generally applicable to property management companies);
7. Prohibitions against elective surgeries; and/or
8. Restrictions on domestic or international travel and/or large events (i.e., trade shows, fundraisers).

How much money can a company realize from their **ERC claim**?

The maximum amount an employer can receive for any W2 employee is \$26,000.

Funds available per W2 employee are as follows:

| TIME PERIOD | CREDITS AVAILABLE |
|------------------------------------|---|
| March 13, 2020 — December 31, 2020 | \$5,000 (50% of the first \$10,000 earned in the period) |
| Q1 2021 | \$7,000 (70% of the first \$10,000 earned in the period) |
| Q2 2021 | \$7,000 (70% of the first \$10,000 earned in the period) |
| Q3 2021 | \$7,000 (70% of the first \$10,000 earned in the period) |

What is the engagement timeline?



Engagement Letter

Client signs an engagement letter with Sagemont.



Credit Calculation

Sagemont calculates client's credit amount to the penny.



Legal Opinion

Sagemont pays for a tax attorney to prepare a legal analysis and/or opinion, where applicable.



IRS Filing

Sagemont files client's ERC claim with the IRS.



Client Receives ERC Checks

Client receives ERC checks from the U.S. Treasury.

What **differentiates** Sagemont from its competitors?

1. **Tax Guidance:** Kenneth Dettman (former partner at Alvarez & Marsal and Co-Head of their ERC Taskforce) signs every ERC filing as paid preparer; thereby taking responsibility for our clients' ERC tax positions;
2. **Legal Guidance:** We work side-by-side with some of the top law firms in the country specializing in the ERC and even work several lawyers who were integral in writing the ERC legislation;
3. **Legal Opinion:** Sagemont pays for a tax attorney to prepare a legal analysis and/or opinion, where applicable, substantiating our clients' ERC legal eligibility; thereby taking responsibility for our clients' ERC legal positions;
4. **Timing:** We can finalize and submit an ERC claim to the IRS within a month from the time a client signs our engagement; and
5. **Price:** Sagemont generally charges 10-20% of the credit (competitors generally charge 15-30%).

We make obtaining the ERC **easy and affordable**. Is your business ready to claim your ERC and experience the Sagemont difference?

Please contact us today for next steps and to get started!



Thank you.



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