

# Employee Retention Credit Compliance

In March 2020, the federal government introduced the Employee Retention Credit (ERC) as part of the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The Internal Revenue Service (IRS) has acted as the agency tasked with administering the credit for qualifying businesses. Thousands of U.S. companies applied for the ERC program to obtain a credit for employees who were retained during the 2020-2021 economic shutdown.

## Employee Retention Credit Assistance

The members of Plunkett Cooney's Tax Law Practice Group are available to assist employers with ERC claim evaluation and return preparation. This includes working with clients to gather the necessary documents to evaluate the applicability of the credit to the business, calculate the total amount of the credit and submit amended returns to claim the credit.

While the ERC program for 2020 is scheduled to sunset on April 15, 2024, there is still time for your business to claim the credit for 2020 and 2021.

## Voluntary Disclosure Program

Employers who believe their ERC program participation may raise one of the "red flags" identified by the IRS as problematic have until March 22, 2024 to return their ERC refunds to the IRS through its Voluntary Disclosure Program (VDP). This program provides businesses who received a refund but no longer believe that they qualify the means to return 80% of the refund received and not incur any additional penalties and interest.

Plunkett Cooney's tax attorneys can review VDP applications prior to submission or assist employers with the application review, preparation and filing process. It should be noted that employers who participate in the VDP will save 20% on the repayment of any ERC refunds that are returned to the IRS under the VDP.

## ERC Audit Defense Services

When employers become the subject of an IRS audit as a result of their participation in the ERC program, Plunkett Cooney's attorneys can help. They will act swiftly to respond to any notices sent by the IRS and resolve the audit, so you will no longer need to interact with auditors or agents.

EMPLOYEE RETENTION CREDIT COMPLIANCE Cont.

Our attorneys will also guide you through the audit preparation process, advise you on any areas of concern, remedy minor issues with the IRS prior to the audit and represent you in the event that a full-scope audit proceeds. In addition, our attorneys will work to negotiate an amicable resolution that will not only satisfy the demands of the IRS but will ensure your ability conduct business with as minimal a disruption as possible.