

# Employee Retention Tax Credit – Prism HR Time Sheet Entry

The purpose of this document is to provide instructions on how to record the new pay codes associated with the Employee Retention Tax Credit in PrismHR.

**Please note:** By using the Employee Retention Tax Credit (ERTC) pay codes at any time, you are effectively opting-in to those tax credits and are confirming eligibility for the respective tax credits, regardless of any election you made on the G&A opt-in form (or any other communication to any representative of G&A Partners). Please refer to the G&A opt-in letter for additional information related to your responsibilities as a client employer of G&A Partners. **To determine eligibility based on employee count, please use your average full-time employee count in 2019 while factoring in all controlled group and/or affiliated entities.**

## Employee Retention Tax Credit (ERTC)

- Small businesses may be eligible for a refundable payroll tax credit if:
  - Operations were fully or partially suspended due to a COVID-19-related shutdown order, or
  - Gross receipts declined by more than 20% when compared to the same quarter in the prior year (Did the business experience a decline in revenues of more than 20% during Q1 2020 vs. Q1 2019, or in Q2 2020 vs. Q2 2019?)
- Credit amount available:
  - Covers 70% of qualified wages, including qualified health plan expenses, up to \$10,000 in qualified wages per employee per calendar quarter
  - Caps credit at \$7,000 per employee per quarter (maximum of \$14,000 per employee for both Q1 and Q2 2021)
- Qualified Wages:
  - Employers with >500 FTE's – wages paid to employees not performing services due to COVID-19 related circumstances (either suspension of operations or reduction in gross receipts)
  - Employers with <500FTE's – all employees' wages paid
  - Includes employer's "properly allocable" qualified health plan expenses
  - Excludes wages taken into account under paid sick/family leave (FFCRA)(those that receive a 100% credit)
- Expands availability of ERTC until June 30, 2021 (originally set to end on Dec 31, 2020)



- Consolidated Appropriations Act (CAA) removed restriction preventing employers with PPP loans from claiming retention credits
- Now, employers can claim the employee retention credit on any eligible wages not used to support PPP loan forgiveness
- Any wages that could not count toward both provisions can be applied to either, but not both, at the employer's election

## Pay Codes

- The pay code below should be used for employers with > 100 FTE's
  - **COVID19ERTCNOWK** – COVID 19 ERTC NO WORK
- The pay codes below should be used for employers with < 100 FTE's
  - **COVID19ERTCREG** – COVID 19 ERTC REG PAY
  - **COVID19ERTCO/T** – COVID 19 ERTC OVERTIME PAY
  - **COVID19ERTCPTO** – COVID 19 ERTC PAID TIME OFF
  - **COVID19ERTCSICK** – COVID 19 ERTC SICK PAY
  - **COVID19ERTCVAC** – COVID 19 ERTC VACATION PAY
  - **COVID19ERTCHOLS** – COVID 19 ERTC HOLIDAY PAY
  - **COVID19ERTCBONS** – COVID 19 ERTC BONUS SUPPLEMENTAL
  - **COVID19ERTCCOMS** – COVID 19 ERTC COMMISSION SUPPLEMENTAL
  - **COVID19ERTCBON** – COVID 19 ERTC BONUS
  - **COVID19ERTCCOM** – COVID 19 ERTC COMMISSION

**Note:** In order to calculate and receive the correct Employee Retention Tax Credit, a COVID19ERTC pay code must be used to record the hours. Please coordinate with your assigned payroll specialist to make sure the correct codes have been added to your timesheet.

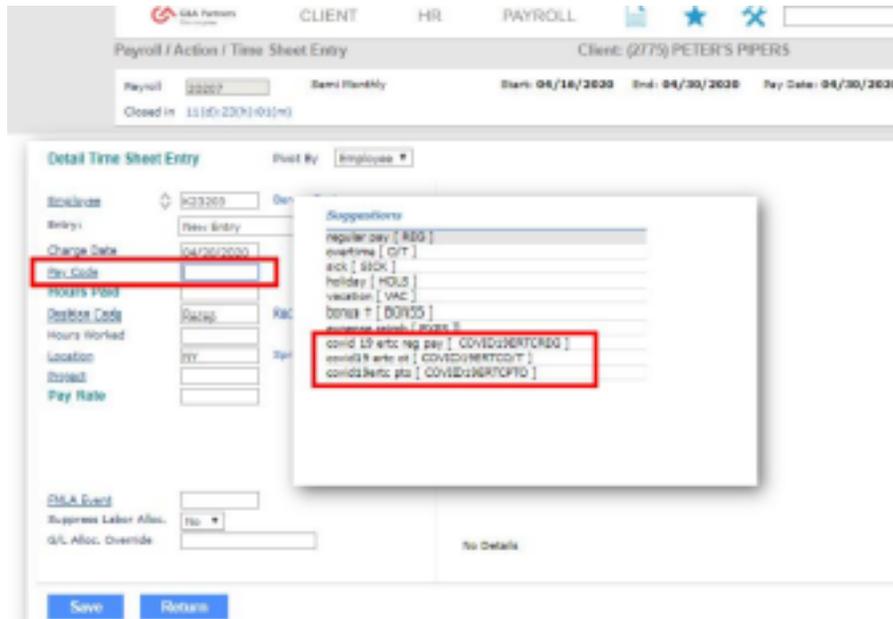
## Time Sheet Entry

To enter payroll for a specific payroll batch, click the “Time Sheet Entry” link in the ‘Payroll | Actions’ category under the ‘My Payrolls’ tab.



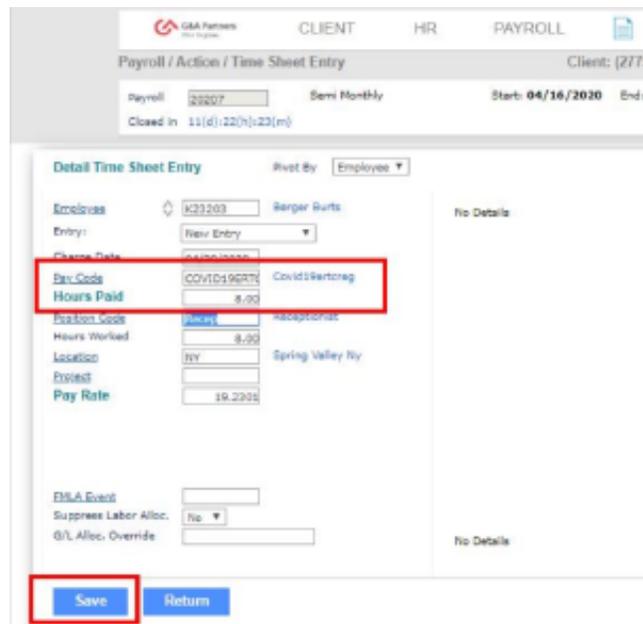


By clicking the “Pay Code” hyperlink, you will see a list of the applicable pay codes associated to your account. Here is where you will find the pay codes that are applicable to the Employee Retention Tax Credit.



The screenshot shows the 'Detail Time Sheet Entry' form for Client (2775) PETER'S PIPERS. The form includes fields for Employee (K23203), Entry (New Entry), Change Date (04/30/2020), and Pay Code (highlighted with a red box). A dropdown menu is open, showing suggestions such as 'regular pay [REG]', 'overtime [O/T]', 'sick [SICK]', 'holiday [HOLI]', 'vacation [VAC]', 'bonus [BONUS]', and 'COVID-19 Ret' (highlighted with a red box). Other fields include Hours Paid, Location Code, Hours Worked, Location, Project, and Pay Rate. The form also has 'Save' and 'Return' buttons at the bottom.

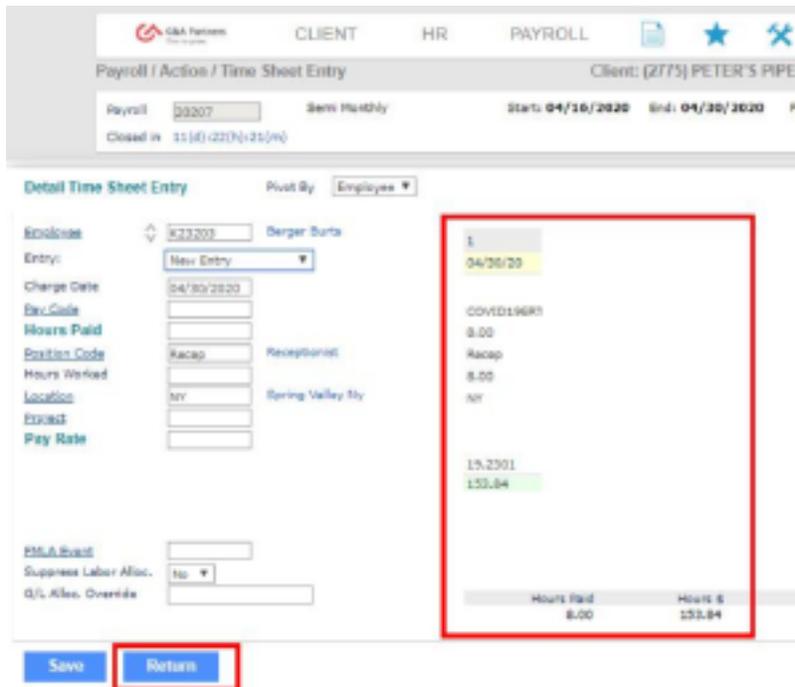
Once you select the appropriate pay code, enter the total hours/amount that needs to be paid for the current pay period and click “Save.”



The screenshot shows the 'Detail Time Sheet Entry' form with the 'Pay Code' dropdown menu selected to 'COVID-19 Ret' (highlighted with a red box). The 'Hours Paid' field is entered as 8.00 (highlighted with a red box). The form also shows the 'Hours Worked' field as 8.00 and the 'Pay Rate' as 19.2205. The 'Save' button is highlighted with a red box. The form also has 'Return' and 'No Details' buttons.



Once you are finished, the time sheet entries will display on the right side of the form. Click “Return” to close the ‘Detail Time Sheet Entry’ and return to the ‘Summary Time Sheet Entry’ screen, where you can proceed with the payroll process.



**Payroll / Action / Time Sheet Entry** Client: (2775) PETER'S PIPER

Payroll: 02207 Semi Monthly Start: 04/16/2020 End: 04/30/2020

Detail Time Sheet Entry Pivot By: Employee

Employee: 0222001 Berger Burke

Entry: New Entry

Charge Date: 04/30/2020

Position Code: Racap Receptionist

Location: NY Spring Valley Ny

Pay Rate: 15.2501

04/30/20	8.00	153.84
COVID19RT	8.00	
Racap	8.00	
NY		
15.2501		153.84
<b>Hours Paid</b>	<b>Hours</b>	<b>Pay</b>
8.00	8.00	153.84

Buttons: Save, Return

