



Employee Retention Credit Eligibility Checklist: Help understanding this complex credit

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You can use this question-and-answer tool to see if you might be eligible for the [Employee Retention Credit \(ERC or ERTC\)](#). Resolving an incorrect claim may help you avoid having to repay an incorrect credit, possibly with penalties and interest.

The IRS continues to warn employers about unscrupulous ERC promoters who oversimplify and misrepresent eligibility rules and lure ineligible taxpayers to claim the credit.

The IRS is committed to helping taxpayers who are eligible, while preventing incorrect ERC claims.

Employee Retention Credit

The ERC is a pandemic-era tax credit for employers that kept paying employees during the COVID-19 pandemic either:

- when they were shut down due to a government order, or
- when they had the required decline in gross receipts during certain eligibility periods in 2020 and 2021, or
- qualified as a recovery startup business for the third or fourth quarters of 2021.

Part A: Check your eligibility

Answer these questions in numerical order to see if you may be eligible for the ERC.

ERC Eligibility Checklist

Question 1

Did you 1) operate a trade, business or tax-exempt organization **and** 2) have employees and pay wages to them between March 13, 2020, and Dec. 31, 2021?

For more info, see [IRS.gov/ercqualified](https://www.irs.gov/ercqualified). Note – Household employers are not eligible for ERC.

Yes	No
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Part B: Claim the ERC if you're eligible

If the previous questions directed you to Part B, you may qualify for the ERC based on the information you provided. Be sure you have thorough records that show wages paid, gross receipts, government orders and other required documents. If you need help, you should work with a trusted [tax professional](#).

Check [IRS.gov/erc](https://www.irs.gov/erc) for updates and other information such as frequently asked questions, examples, guidance, warning signs of scams and more.

Part C: Resolve an incorrect ERC claim

If you incorrectly claimed the Employee Retention Credit, you can use the **ERC claim withdrawal process** outlined at [IRS.gov/withdrawmyerc](https://www.irs.gov/withdrawmyerc) if you haven't received the credit or haven't cashed or deposited an ERC check.

Requesting a withdrawal means you're asking the IRS **not** to process your entire adjusted return that included your ERC claim. If the IRS accepts your request, the claim will be treated as if it was never filed.

If you're not able to use the withdrawal process, you can still file another adjusted return if you need to [reduce the amount of your ERC claim](#) or [make other changes to your adjusted return](#).

Printable checklist for IRS partners

If you need a printable version of this resource to help constituents, clients or others to see if they may be eligible for the ERC, download the [Employee Retention Credit Eligibility Checklist](#) .