



Social Security Tax Deferral / Employee Retention Credit Programs

A COVID-19 Update from Questco – April 24th, 2020

The Coronavirus Aid, Relief and Economic Security Act introduced two programs designed to provide financial relief to employers during the COVID-19 pandemic. The following information describes how Questco can support our clients should you qualify for and wish to participate in either of these relief programs.

Employer Social Security Tax Deferral Program

As part of the CARES Act, the government allows employers to defer the payment of the employer's share of social security taxes through December 31, 2020. Under this program, 50% of the deferral will be due and payable by December 31, 2021, with the remaining 50% due and payable by December 31, 2022.

As your payroll provider responsible for the collection and remittance of all payroll tax liabilities, Questco can assist you with this deferral election. In order to participate in the social security tax deferral program, Questco is requesting that the ["Client Acknowledgment Form and Agreement: CARES Act Employer Social Security Deferral"](#) be completed and **returned to your Customer Success Manager at Questco.**

The attached acknowledgement authorizes Questco on your behalf to initiate the deferral of social security taxes and serves as the Client's declaration that they 1.) qualify to participate in the program and 2.) understand the responsibilities and indemnifications of both the Client and Questco in the administration of the deferral.

Employee Retention Credit Program

As part of the CARES Act, the government provides for the Employee Retention Credit, a refundable tax credit designed to encourage employers to continue to pay employees in a time of business disruption. Clients who are eligible to participate in the program will receive a credit of 50% of qualifying wages through December 31, 2020 up to a maximum of \$5,000 per employee. To be eligible for the Employee Retention Credit, the following must occur:

- Business operations were fully or partially suspended due to a COVID-19 related "shut-down order," or
- Gross receipts declined by more than 50% when compared to the same quarter in the previous year.

The Employee Retention Credit is applied to the extent that you have federal employment tax liabilities that would be reported on Questco's Form 941. If your credit is greater than your federal employment tax liabilities at the time your payroll is processed, Questco will apply that credit to future payrolls. Additional information regarding the Employee Retention Credit can be found in the ["Client Acknowledgment Form and Agreement: CARES Act Employee Retention Credit"](#).

As your payroll provider responsible for the collection and remittance of all payroll tax liabilities, Questco can assist you in obtaining the Employee Retention Credit as part of your regular payroll processing. In order to request this credit, Questco will need you to complete the attached ["Client Acknowledgment Form and](#)

[Agreement: CARES Act Employee Retention Credit](#) and **return it to your Customer Success Manager at Questco.**

The attached acknowledgement authorizes Questco on your behalf to initiate the retention credit and serves as the Client's declaration that they 1.) qualify to participate in the program and 2.) understand the responsibilities and indemnifications of both the Client and Questco in the administration of the credit program.

Once received, the Employee Retention Credit will be set-up to run on your next payroll invoice. If you are requesting a different qualifying start date for the credit, you can also specify that date in the form.

Please feel free to reach out to your service representative if you have any additional questions.