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KPMG report: Initial impressions of additional FAQs on the employee retention credit (COVID-19)

The IRS on April 29, 2020, released additional “frequently asked questions” (FAQs) on the employee retention credit (ERC) provided by the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) (Pub. L. No. 116-136).

The ERC is a refundable payroll credit of 50% of qualified wages paid by eligible employers whose business has been affected by COVID-19. Qualified wages are limited to \$10,000 of compensation, including health benefits, paid to each employee. Thus, the maximum credit is \$5,000 (50% x \$10,000) per employee. The new [FAQs](#) include dozens of questions and answers regarding the ERC under the CARES Act.

Read a [KPMG report \(April 2020\)](#) [PDF 295 KB] that provides initial impressions about these FAQs.

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