



## **COVID-19-Related Employee Retention Credits: Interaction with Other Credit and Relief Provisions FAQs**

*This FAQ is not included in the Internal Revenue Bulletin, and therefore may not be relied upon as legal authority. This means that the information cannot be used to support a legal argument in a court case.*

### **78. May an Eligible Employer that receives a Paycheck Protection Program (PPP) loan receive the Employee Retention Credit?**

No. An employer may not receive the Employee Retention Credit if the employer receives a PPP loan that is authorized under the CARES Act. An Eligible Employer that receives a PPP loan, regardless of the date of the loan, cannot claim the Employee Retention Credit.

### **79. Is an employer that repays its Paycheck Protection Program (PPP) loan by May 14, 2020, eligible for the Employee Retention Credit? (updated May 7, 2020)**

Yes. An employer that applied for a PPP loan, received payment, and repays the loan by May 14, 2020 (originally May 7, 2020, as provided by the Limited Safe Harbor With Respect to Certification Concerning Need for PPP Loan Request in the Interim Final Rules issued by the Small Business Administration (SBA) effective on April 28, 2020, but extended by FAQ 43 in the SBA's PPP FAQs updated on May 5, 2020), will be treated as though the employer had not received a covered loan under the PPP for purposes of the Employee Retention Credit. Therefore, the employer will be eligible for the credit if the employer is otherwise an Eligible Employer. For more information, see [Business Loan Program Temporary Changes; Paycheck Protection Program—Requirements—Promissory Notes, Authorizations, Affiliation, and Eligibility \(PDF\)](#) and [SBA's PPP Loans FAQs \(PDF\)](#).

### **80. If multiple entities are treated as a single employer under the aggregation rules, and only one of these entities has received a Paycheck Protection Program (PPP) loan, does this mean that all of the other entities in the aggregated group are not eligible for the Employee Retention Credit?**

Yes. An employer that is treated as a single employer under the aggregation rules, may not receive the Employee Retention Credit if any member of the employer's aggregated group receives a PPP loan. For more information on the aggregation rules, see [Determining Which Entities are Considered a Single Employer Under the Aggregation Rules](#).

**81. Is an employer eligible to receive an Employee Retention Credit after the Paycheck Protection Program (PPP) loan is forgiven?**

No. An employer that receives a PPP loan may not receive an Employee Retention Credit, regardless of whether and when the loan is forgiven. For more information on Eligible Employers, see [Determining Which Employers are Eligible to Claim the Employee Retention Credit](#).

**82. May employers receive both the paid family and medical leave credit (section 45S of the Internal Revenue Code) and the Employee Retention Credit?**

Yes, but not for the same wage payments.

Any qualified wages for which an Eligible Employer claims the Employee Retention Credit may not be taken into account for purposes of determining a section 45S credit. Thus, an employer may not claim a credit under section 45S with respect to the qualified wages for which it claims the Employee Retention Credit, but it may be able to take a credit under section 45S with respect to any additional wages paid, provided the requirements of section 45S are met with respect to the additional wages.

**83. May employers receive the credits under section 51 of the Internal Revenue Code (the Work Opportunity Tax Credit or WOTC) and the Employee Retention Credit for the same employee for the same period?**

No. An Eligible Employer may not claim the Employee Retention Credit and the WOTC for the same employee for the same period of time.