Employee Retention Tax Credit for Assisted Living Facilities

Clarus

ASSISTED LIVING FACILITIES

Partial Shutdown drives larger tax credit than PPP loan

Assisted living facilities have been subject to significant restrictions enacted by health departments as a result of COVID-19. While assisted living facilities have remained open throughout the crisis to serve their customers, the restrictions have had a significant financial impact on them. In many cases, decreasing occupancy rates affected their bottom line. The Employee Retention Tax Credit can result in a significant reimbursement of these lost economics.

$400K
PPP LOANS
+
$400K
ERTC 2020
+
$700K
ERTC 2021
=
$1.5M

CHALLENGE

Decreased occupancy due to government restrictions

A retirement community owns two facilities with **150 total rooms** and approximately 140 total employees (80 full-time, 60 part-time). Access restrictions and requirements to allow residents out of their contract imposed by the Ohio Department of Health resulted in an **occupancy rate decrease from 97% to 82%** over roughly 9 months.

PROBLEM

Confusion around eligibility

The retirement community assumed they would not be eligible for the Employee Retention Tax Credit because they remained operational throughout the pandemic and did not experience a 50% decline in gross receipts.

SOLUTION

Clarus identifies eligibility due to COVID-19 impact

After talking with tax experts at Clarus, the retirement community discovered that they were eligible for the ERTC as a result of experiencing a partial shutdown due to government mandates. Since they had **less than 100 full-time employees**, all wages during the shutdown period were qualified, resulting in a **$1,100,000 tax credit**, which exceeded the PPP loan they obtained earlier in the year.

See if you qualify: https://bit.ly/qualifyforERTC