



Memo

Date: October 4, 2021
To: Pastor, principals and business managers
From: Brad Wilson, Chief Financial Officer, Office of Finance
Re: Employee Retention Credits

A number of parishes and schools have been receiving emails and phone calls from organizations offering to assist them in applying for Employee Retention Credits (ERC). The organizations offering this service do not fully understand our legal and operational structures, but will tell you, with conviction, that because each parish is separately incorporate and has fewer than 500 employees, it is eligible for the credits. Simply stated, they are wrong.

The government uses “affiliation rules” to determine an employee count. We were blessed to have a specific exemption from the affiliation rules under the Paycheck Protection Program (PPP). This exemption allowed each parish and school to stand alone for the PPP loan application and forgiveness. Congress did not provide the exemption for the ERC and therefore our affiliated employee count is over 500 and making all parishes and school ineligible.

The IRS link below provide more detailed information.

<https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-determining-which-entities-are-considered-a-single-employer-under-the-aggregation-rules-faqs>