

Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit

Determine how you will complete this worksheet

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this quarter, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this quarter but you didn't pay any qualified wages for purposes of the employee retention credit this quarter, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this quarter but you didn't pay any qualified sick and family leave wages this quarter, complete Step 1 and Step 3.

Step 1. Determine the employer share of social security tax this quarter after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C		
1a	Enter the amount of social security tax from Form 941, Part 1, line 5a , column 2	1a _____
1b	Enter the amount of social security tax from Form 941, Part 1, line 5b , column 2	1b _____
1c	Add lines 1a and 1b	1c _____
1d	Multiply line 1c by 50% (0.50)	1d _____
1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 941, Part 1, line 8 (enter as a positive number)	1e _____
1f	Subtract line 1e from line 1d	1f _____
1g	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1g _____
1h	Employer share of social security tax. Add lines 1f and 1g	1h _____
1i	Enter the amount from Form 941, Part 1, line 11a (credit from Form 8974)	1i _____
1j	Enter the amount to be claimed on Form 5884-C, line 11, for this quarter	1j _____
1k	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1i and 1j	1k _____
1l	Employer share of social security tax remaining. Subtract line 1k from line 1h	1l _____
Step 2. Figure the sick and family leave credit		
2a	Qualified sick leave wages reported on Form 941, Part 1, line 5a(i) , column 1	2a _____
2a(i)	Qualified sick leave wages included on Form 941, Part 1, line 5c, but not included on Form 941, Part 1, line 5a(i), column 1, because the wages reported on that line were limited by the social security wage base	2a(i) _____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii) _____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 941, Part 3, line 19)	2b _____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c _____
2d	Credit for qualified sick leave wages. Add lines 2a(ii), 2b, and 2c	2d _____
2e	Qualified family leave wages reported on Form 941, Part 1, line 5a(ii) , column 1	2e _____
2e(i)	Qualified family leave wages included on Form 941, Part 1, line 5c, but not included on Form 941, Part 1, line 5a(ii), column 1, because the wages reported on that line were limited by the social security wage base	2e(i) _____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii) _____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 941, Part 3, line 20)	2f _____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g _____
2h	Credit for qualified family leave wages. Add lines 2e(ii), 2f, and 2g	2h _____
2i	Credit for qualified sick and family leave wages. Add lines 2d and 2h	2i _____
2j	Nonrefundable portion of credit for qualified sick and family leave wages. Enter the smaller of line 1l or line 2i. Enter this amount on Form 941, Part 1, line 11b	2j _____
2k	Refundable portion of credit for qualified sick and family leave wages. Subtract line 2j from line 2i and enter this amount on Form 941, Part 1, line 13c	2k _____
Step 3. Figure the employee retention credit		
3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21)	3a _____
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22)	3b _____
3c	Add lines 3a and 3b	3c _____
3d	Retention credit. Multiply line 3c by 50% (0.50)	3d _____
3e	Enter the amount of the employer share of social security tax from Step 1, line 1l	3e _____
3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j	3f _____
3g	Subtract line 3f from line 3e	3g _____
3h	Nonrefundable portion of employee retention credit. Enter the smaller of line 3d or line 3g. Enter this amount on Form 941, Part 1, line 11c	3h _____
3i	Refundable portion of employee retention credit. Subtract line 3h from line 3d and enter this amount on Form 941, Part 1, line 13d	3i _____