

Worksheet 2. Employee Retention Credit for the Second Quarter of 2021 Only (Wages Paid After March 31, 2021, and Before July 1, 2021)

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified wages after March 31, 2021, and before July 1, 2021, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages in the second quarter of 2021 for leave taken before April 1, 2021, complete Worksheet 1 before starting this worksheet. **Caution:** Use Worksheet 4 to figure the employee retention credit for qualified wages paid in the third and fourth quarters of 2021.

Step 1. Determine the employer share of social security tax for the second quarter of 2021 after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D

1a	If you completed Worksheet 1 for the second quarter of 2021 to claim a credit for qualified sick and family leave wages for leave taken before April 1, 2021, enter the amount from Worksheet 1, Step 1, line 1l, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken before April 1, 2021, continue by completing lines 1b–1n below and then go to Step 2	1a	_____
1b	Enter the amount of social security tax from Form 941, Part 1, line 5a , column 2	1b	_____
1c	Enter the amount of social security tax from Form 941, Part 1, line 5b , column 2	1c	_____
1d	Add lines 1b and 1c	1d	_____
1e	Multiply line 1d by 50% (0.50)	1e	_____
1f	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)	1f	_____
1g	Subtract line 1f from line 1e	1g	_____
1h	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	1h	_____
1i	Employer share of social security tax. Add lines 1g and 1h	1i	_____
1j	Enter the amount from Form 941, Part 1, line 11a (credit from Form 8974)	1j	_____
1k	Enter the amount to be claimed on Form 5884-C, line 11, for this quarter	1k	_____
1l	Enter the amount to be claimed on Form 5884-D, line 12, for this quarter	1l	_____
1m	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1j, 1k, and 1l	1m	_____
1n	Employer share of social security tax remaining. Subtract line 1m from line 1i	1n	_____

Step 2. Figure the employee retention credit for the second quarter of 2021
Caution: The total amount included on lines 2a and 2b can't exceed \$10,000 per employee.

2a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21)	2a	_____
2b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22)	2b	_____
2c	Add lines 2a and 2b	2c	_____
2d	Retention credit. Multiply line 2c by 70% (0.70)	2d	_____
2e	Enter the amount of the employer share of social security tax from Step 1, line 1a, or, if applicable, Step 1, line 1n	2e	_____
2f	Enter any second quarter amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken before April 1, 2021, from Worksheet 1, Step 2, line 2j	2f	_____
2g	Subtract line 2f from line 2e	2g	_____
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form 941, Part 1, line 11c	2h	_____
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form 941, Part 1, line 13d	2i	_____

Worksheet 4. Employee Retention Credit for Third and Fourth Quarters of 2021 Only (Qualified Wages Paid After June 30, 2021)

Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified wages after June 30, 2021, for purposes of the employee retention credit, complete Step 1 and Step 2. If you're claiming a credit for qualified sick and family leave wages in this quarter for leave taken after March 31, 2021, complete Worksheet 3 before starting this worksheet.

Caution: Use Worksheet 2 to figure the employee retention credit for qualified wages paid in the second quarter of 2021.

Step 1. Determine the employer share of Medicare tax

- 1a If you completed Worksheet 3 to claim a credit for qualified sick and family leave wages for leave taken after March 31, 2021, enter the amount from Worksheet 3, Step 1, line 1f, and go to Step 2. If you're not claiming a credit for qualified sick and family leave wages for leave taken after March 31, 2021, continue by completing lines 1b–1g below and then go to Step 2 1a _____
- 1b Enter the amount of Medicare tax from Form 941, Part 1, [line 5c](#), column 2 1b _____
- 1c Multiply line 1b by 50% (0.50) 1c _____
- 1d 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 Medicare tax included on Form 941, Part 1, [line 8](#) (enter as a positive number) 1d _____
- 1e Subtract line 1d from line 1c 1e _____
- 1f If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of Medicare tax from the notice 1f _____
- 1g **Employer share of Medicare tax.** Add lines 1e and 1f 1g _____

Step 2. Figure the employee retention credit

Caution: The total amount included on lines 2a and 2b can't exceed \$10,000 per employee each quarter.

- 2a Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, [line 21](#)) 2a _____
- 2b Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, [line 22](#)) 2b _____
- 2c Add lines 2a and 2b 2c _____
- 2d **Retention credit.** Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit **solely** because your business is a recovery startup business, don't enter more than \$50,000 per quarter 2d _____
- 2e Enter the amount of the employer share of Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1g 2e _____
- 2f Enter any amount of the nonrefundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021, from Worksheet 3, Step 2, line 2r 2f _____
- 2g Subtract line 2f from line 2e 2g _____
- 2h **Nonrefundable portion of employee retention credit.** Enter the smaller of line 2d or line 2g. Enter this amount on Form 941, Part 1, line 11c 2h _____
- 2i **Refundable portion of employee retention credit.** Subtract line 2h from line 2d and enter this amount on Form 941, Part 1, line 13d 2i _____