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The Demystification of Employee Retention Credits for Private Equity Deals

PE Pathways

SPEAKERS

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In this episode of *PE Pathways*, Thao Le, Jeremy Levy, and Tom Gray discuss the intricacies and implications of employee retention tax credits (ERCs) for private equity and M&A transactions. While ERCs were created in response to COVID-19 to offer relief to employers in the early days of the pandemic, the conversation highlights the ongoing relevance of ERCs due to the statute of limitations for claiming and auditing these credits, which extends into 2025 and beyond. The speakers address the challenges posed by fraudulent claims and the IRS' scrutiny of ERCs, emphasizing the need for careful due diligence in transactions involving companies that have claimed these credits. They also discuss the strategies employed by buyers to mitigate risks during the deal-making process.

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