



# TaxNewsFlash

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## IRS announces moratorium on processing new employee retention credit claims

The IRS today announced an immediate moratorium through at least the end of the year on processing new employee retention credit (ERC) claims.

According to today's IRS release—[IR-2023-169](#) (September 14, 2023)—the moratorium will allow the IRS to add more safeguards to prevent abuse and protect businesses from predatory tactics.

The IRS will continue to work on ERC claims received prior to the moratorium, but increased fraud concerns means processing times will be longer. In addition, payouts for these claims will continue during the moratorium period but at a slower pace due to detailed compliance reviews (i.e., existing ERC claims will go from a standard processing goal of 90 days to 180 days—and much longer if the claim faces further review or audit). The IRS noted that it has already referred thousands of ERC cases for audit.

The IRS is also developing a settlement program for repayments for those who received an improper ERC payment (more details will be available this fall), as well as a special withdrawal option for those who filed an ERC claim that has not been processed.

In addition, the IRS announced that it is working with the Justice Department to address fraud in the ERC program.

A related IRS release—[IR-2023-170](#) (September 14, 2023)—warns businesses to watch out for “aggressive marketing by nefarious actors” involving the ERC and urges people to watch out for “red flags.”

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