



Notice to Employers

Tax Benefits available from the HIRE Act

The recently enacted Hiring Incentives to Restore Employment (HIRE) Act offers tax savings to eligible employers. This legislation was enacted on March 18, 2010 and the credits are available with 2nd quarter payroll tax reporting.

These tax benefits affect employers who hire and retain recently unemployed individuals. One of the benefits is called the payroll tax exemption. Currently every employer is required to match the 6.2% social security tax paid by its employee. The payroll tax exemption would allow the employer to be exempt from this tax for wages paid March 19, 2010 through December 31, 2010 to a qualified employee.

Who is a qualified employer?

Any employer in a trade or business qualifies. Household employers do not qualify. An employer that qualifies is not required to take the credit however an employer cannot apply the payroll tax exemption and the Work Opportunity Credit for the same employee.

A qualified employee meets all the following:

- Begins employment with the qualified employer after February 3, 2010 and before January 1, 2011.
- Was unemployed (or employed for less than 40 hours) during the 60-day (continuous) period prior to the start of employment with the qualified employer.
- Is hired for a new position or is replacing another employee that voluntarily left or was terminated with proper cause.
- Is not a family member of the employer.
- Has attested to the qualifications by completing and signing IRS Form W-11 "Hiring Incentives to Restore Employment Act Employee Affidavit". (See our resources page for a copy of this form)

Another tax benefit is referred to as the New Hire Retention credit. This general business credit is available to qualified businesses that retain a qualified employee for at least 52 consecutive weeks of employment. The credit is 6.2% of wages paid to that employee up to a maximum credit of \$1,000. The credit will be taken on income tax forms for 2011.

We encourage you to take advantage of these beneficial tax savings. If our office prepares your quarterly payroll tax forms, please complete and return the attached questionnaire. This questionnaire will help us ensure you take the proper credits available to you.

Your Team at,

Stortz & Associates

STORTZ AND ASSOCIATES

Certified Public Accountants & Business Development Specialists
610-967-4711 • 3775 Chestnut Street, Emmaus PA 18049
610-861-4400 • 4510 Bath Pike Ste. 200, Bethlehem PA 18017
www.dstortz.com

HIRE Act – Payroll Tax Exemption Questionnaire

Prior to completing this questionnaire please read the Notice to Employers – Tax Benefits available from the HIRE Act

1. List the names and hire dates of qualifying employees that were HIRED and PAID between March 19 and June 30:

<u>Name</u>	<u>Hire Date</u>	<u>Name</u>	<u>Hire Date</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. Attach copies of signed Form W-11 affidavits for all qualified employees listed above

3. Have you already taken a credit against your tax liability for the 2nd Quarter? Yes No

If yes, please list credits and dates:

I declare that my responses to this questionnaire are true and complete.

Signature: _____ Date: _____

Business Name: _____