

March 2010

## Tax Intelligence

### Hiring Incentives to Restore Employment (HIRE) Act Update

#### Situation

Congress is currently working on The Hiring Incentives to Restore Employment (HIRE) Act. This bill is designed to provide employers with tax incentives to get people who are currently unemployed back to work. One unique savings opportunity is the FICA tax credit which requires employee affidavit documentation. On March 4<sup>th</sup> the House of Representatives passed an updated version of the bill with minor changes from the Senate version and we expect it to be taken up in the Senate soon.

#### Solution

The HIRE Act offers employers lucrative incentives designed to put American's back to work. These incentives include:

- Exemption from the 6.2% Social Security tax for eligible new hires. This exemption provides:
  - An immediate benefit for employers who hire workers who have not been paid to work over 40 hours in the last 60 days
  - An incentive for employers to hire prospective employees sooner rather than later as the savings will be greater for employees hired earlier in the year.
- A retention credit of up to \$1,000 for qualified employees who work for the company at least 52 weeks.

TALX is prepared to offer screening, tracking and reporting as required by the program. Since the effective date will likely be early February, we are uniquely positioned to assist employers in identifying new hires that may be eligible but were not screened in advance of enactment of the legislation. TALX will provide several screening options. Screening options include:

- **On-line screening** to integrate with your current applicant tracking process
- **Phone screening** through an interactive question matrix
- **Paper screening** that can be deployed to all client locations

#### Value

TALX is committed to providing best in class administration of Tax Credit and Incentive programs. For the HIRE Act TALX will:

- **Screen** all applicants to determine eligibility
- **Verify** applicant eligibility through an employee affidavit process
- **Report** compliance and follow up on any outstanding screening or documentation materials
- **Document** all eligible employees and maintain support materials for audit responses

When the bill becomes law, TALX is uniquely positioned to help employers take advantage of these credits. Our long history of providing expert assistance with employment verifications, unemployment cost management as well as tax credits and incentives allows TALX to leverage these resources to process and verify credentials quickly and efficiently. A detailed process will ensure all available credits are secured.

If you would like more information regarding the immediate benefit of these programs, please contact Pete Krieshok at [pete.krieshok@talx.com](mailto:pete.krieshok@talx.com).