



Subject: Indiana Unemployment Tax – Yea!

BREAKING NEWS!

The Indiana Legislature has presented Governor Daniels with a bill which will postpone the scheduled 2010 Indiana Unemployment tax increaseS until January of 2011. This postponement means that the taxable Indiana unemployment wage base will be “capped” at \$7,000 per employee, instead of the scheduled \$9,500 wage base. The postponement also means that employers will use a tax rate for 2010 based on the “old” schedules, not the proposed, mostly higher, new tax rate schedules for 2010.

WHAT TO EXPECT

The Indiana Department of Workforce Development will soon be mailing out 2010 “Merit Rate Notices” to all Indiana employers. **You and AccuPay need to take the following 2 action steps in response to your 2010 Merit Rate Notice:**

SHOULD YOU MAKE A “VOLUNTARY PAYMENT”?

If you are eligible, your Merit Rate Notice will provide you an opportunity to “buy down” your scheduled 2010 Indiana unemployment tax rate by 2/10% to the next lowest schedule rate for 2010. Our experience is that about 10% of the voluntary payment “offers” are a “good deal”, and should be made.

AccuPay can help you determine if your “voluntary payment” is a good deal -- Simply call us at 885-7600 and we can help you decide!

WE MUST OBTAIN YOUR 2010 TAX RATE NOTICE

AccuPay needs a copy of your 2010 “Merit Rate Notice” so we can collect and pay out the correct amount of Indiana unemployment tax for the first quarter of 2010, as well as subsequent quarters in 2010. You can fax a copy to us at 885-7591 or e-mail it to “payroll@accupay.com”.

If you have any questions about this matter, call us at **885-7600**. We appreciate you as a client!

P.S. – Our next PayDay will summarize provisions of the new Federal jobs creation bill which will save employers both payroll and income taxes on certain “new hires”.

PayDay is an email communication of payroll news, legal updates and tax considerations intended to inform clients and colleagues of AccuPay about current payroll issues and planning techniques. You should consult with your CPA or tax advisor before implementing any ideas, comments or planning techniques.