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**Subject: HIRE Retention Income Tax Credits**

Most of the focus of the HIRE ACT tax incentives has revolved around the employer FICA “match” exemptions which apply to “qualified” newly hired employees (see our archived PayDay dated March 26, 2010). By now, employers should be obtaining employee affidavits for all new hires who qualify for the FICA tax exemption, and should be calculating their Federal 941 tax deposits without any employer “match” for the 6.2% FICA tax.

The exact same “new hires” who qualify for the employer FICA exemption also qualify for a 2011 Federal income tax credit if you retain those employees for 52 consecutive weeks from the hire date – and the wages paid those employees the second 26 weeks are at least 80% of wages paid the first 26 weeks of employment.

**AccuPay’s CPA/advisors have designed a “HIRE ACT Retention Income Tax Credit Worksheet”** to track/monitor your HIRE Act “retention” income tax credits. Your Company’s CPA/tax advisor can use this worksheet in planning and preparing your 2011 business income taxes. You can download this handy worksheet at our website’s “Forms & Downloads” page or by clicking [here](#).

**Call an AccuPay CPP/CPA client services team at 885-7600 if you have further questions about tax incentives available pursuant to the recent HIRE Act legislation.**

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.