



Hiring Incentives to Restore Employment (HIRE)

Hiring payroll tax exemption and retention federal tax credit

Your company can earn financial incentives for hiring unemployed workers and keeping them on the job for at least one year.

As a result of the 2010 HIRE Act, your company can earn a payroll tax exemption of up to \$6,621 per qualified new hire. Your company can also earn up to \$1,000 as an additional incentive for keeping those new hires on the job.

First Advantage can help

First Advantage will help you capture the HIRE incentives, as well as the Work Opportunity Tax Credit (WOTC) and other hiring and employment incentives.

We'll screen your applicants for eligibility, gather a new hire affidavit documenting eligibility and retain documentation in the event of an audit. You'll receive reports that will identify eligible employees and help you claim both the payroll tax exemption and retention tax credit.

If you have a new hire that qualifies for both WOTC and HIRE's payroll tax exemption, you must elect only one benefit. First Advantage will determine which incentive will bring the most value to your organization through a matrix of data points designed to maximize incentives.

Understanding the opportunities

The HIRE Act provides business incentives for hiring and retaining unemployed workers.

Hiring Incentive – Payroll tax exemption

Exempts qualified employers from the employer share of Social Security payroll tax for the remainder of 2010 on qualified new hires. At 6.2%, the maximum value is \$6,621 for a qualified employee with wages equal to or exceeding the wage base limit.

A qualified new hire is someone who has not been employed for more than 40 hours during the 60-day period ending on the date of hire and has a hire date of February 4 – December 31, 2010. The qualified new hire must sign an affidavit.

Your business must elect either the payroll tax exemption or WOTC for new hires qualifying for both incentives.

Retention Incentive – Federal tax credit

If your company retains HIRE qualified employees, you can also earn a federal tax credit equal to the lesser of \$1,000 or 6.2% of the wages paid to the retained worker. To earn the retention credit, the worker must be employed 52 consecutive weeks and wages paid during the last half of that period must equal at least 80% of wages paid during the first half. The credit may not be carried back to tax years prior to the enactment date.

If you elect WOTC instead of the payroll tax exemption, you can still take advantage of the retention tax credit for qualified employees.