



**TAXSAVERS**

June 21, 2010

To our clients:

Recently the **Hiring Incentives to Restore Employment (HIRE) Act** was signed into law. This law is an effort to boost employment of unemployed individuals.

Some highlights from the new law are:

- Employers can save the 6.2% employer portion of the Social Security Tax if they hire an unemployed person to fill a new position or an existing position if the previous occupant left voluntarily or for cause. Employers will claim the tax benefits on their quarterly 941 Forms that they file with the IRS.
- Employers will also get a \$1000 tax credit on their 2011 income tax returns, if they retain the employees for 52 consecutive weeks.
- An employee qualifies for this credit if they have been unemployed for 60 days prior to being hired or has worked fewer than 40 hours in the 60 days prior for someone else. An employee must sign an affidavit (Form W-11) stating under penalties of perjury that they were unemployed prior to being hired.

**We will need the following information for any employee hired after February 3, 2010:**

- **A signed copy of Form W-11**
- **Completed W-4 Federal**
- **Completed W-4 State of Michigan**

All forms can be viewed and printed from our website at [www.afsofmi.com/PackageNewHire.htm](http://www.afsofmi.com/PackageNewHire.htm)

For any further questions please call our office.

Sincerely,

AFS Tax Savers Inc.

**"WE LOVE REFERRALS"**

**ACCURATE FINANCIAL SERVICES, INC**

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