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March 2009

Dear Valued Client:

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), commonly known as the Economic Stimulus Act. This law lowers the amount of federal income tax withholding through the "Making Work Pay" provision. The Internal Revenue Service (IRS) has released updated withholding tax tables and Advanced Earned Income Tax Credit tables and has recommended that changes take place no later than April 1, 2009.

Advantage Payroll Services will implement the updated withholding tables effective for payrolls processed on or after March 5, 2009. The reduced withholding amounts will be in effect for the remainder of 2009 and for 2010. Your employees will not be required to complete new Forms W-4 to take advantage of the reduced federal withholding percentage.

States that use the federal income tax withholding amount as part of their withholding calculation are in the process of deciding if they will adjust their own withholding tables in response to federal changes. Advantage Payroll Services will continue to monitor and implement changes as necessary based on individual state requirements.

If you have questions, please call your customer service representative at (800) 440-9033.

Thank you for choosing Advantage Payroll Services. It is our privilege to serve as an essential partner with your organization.

Sincerely,

The Specialists at Advantage