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Dear Valued Client:

Advantage is committed to providing you with the highest level of service. As part of that service, we aim to keep you informed of new legislation that may affect your business. We are writing to notify you of recent updates to the Hiring Incentives to Restore Employment (HIRE) Act, also known as the Jobs Bill.

The HIRE Act/Jobs Bill is a federal plan to create jobs by providing a temporary tax break to companies that hire the unemployed.

The House of Representatives has amended and passed the HIRE Act/Jobs Bill, which has now returned to the Senate. The Senate must vote again to approve the Act. The President is then expected to sign the bill.

In summary, the Act will exempt you, the employer, from paying the employer portion of social security taxes (6.2 percent) for the remainder of the year on newly-hired employees who were previously unemployed. A qualified employee is one who meets the following requirements:

- Begins employment with a qualified employer after February 3, 2010, but before January 1, 2011.
- Has not been employed for more than 40 hours total during the previous 60 days. The individual must sign an affidavit attesting to you, the employer, that this is true.
- Is not hired to replace another employee unless the previous employee was separated from employment voluntarily or for cause.
- Is not a family member of the business owner.

As an employer, you can also claim an additional one-time business tax credit for each qualified individual who stays employed with your business for 52 weeks. The credit is the lesser of \$1,000.00 or 6.2 percent of the wages paid to the retained worker during the 52-week retention period. Wages paid during the second 26-week period must equal at least 80 percent of wages paid during the first 26-week period.

Please be assured that Advantage is staying apprised of changes to this legislation and will notify you of any action that may be required.

If you have questions, please call your customer service representative at 516-931-8400. We appreciate your business and the opportunity to serve your payroll needs.

Sincerely,

The Specialists at Advantage