

HOLTZ
RUBENSTEIN
REMINICK

ADVISER

HIRE Act: New Form W-11

In the March/April 2010 issue of the *HRR Adviser*, we introduced to you the Hiring Incentives to Restore Employment (HIRE) Act. This act, which President Obama signed into law on March 18, 2010, attempts to encourage companies to not only hire unemployed workers, but retain them as well.

The Act does this by excusing employers from paying their share of Social Security tax (6.2%) on wages, up to \$106,800, paid in 2010 to newly-hired, qualified individuals. Additionally, under the Act, these employers can possibly obtain a tax credit of up to \$1,000 for each newly-hired and retained worker.

Form W-11: The HIRE Act Employee Affidavit

In order for employers to qualify for a payroll tax holiday and possibly the tax

credit of up to \$1,000, all newly-hired (but formerly unemployed) workers must complete and sign Form W-11 (The HIRE Act Employee Affidavit). Only employees who meet all of the requirements of a qualified employee may complete this affidavit.

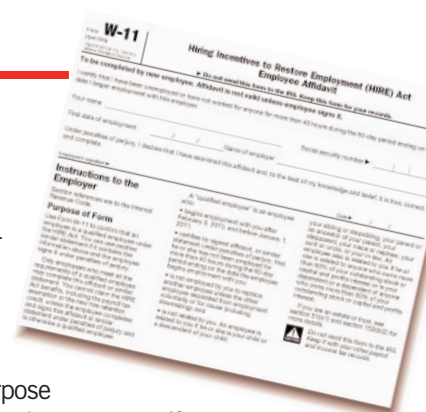
A **"qualified employee"** is an employee who:

- 1) began employment with the employer after February 3, 2010, and before January 1, 2011;
- 2) was previously unemployed (not employed for more than 40 hours during the 60-day period ending on the date employment begins with the new employer);
- 3) does not replace other employees of the employer (unless those employees left voluntarily or for cause, including downsizing); and
- 4) is not related to the employer.

Form W11 is simple, consisting of only a few lines.

Its main purpose is for an employee to certify that he or she has not been employed for more than 40 hours during the 60-day period ending on the date the individual begins employment with the employer. Please note that Form W-11 will not be considered valid if the employee does not sign and date it.

The Internal Revenue Service cautions employers not to submit the form to them. The form is designed for record-keeping purposes only. Therefore, once an employee completes Form W-11, the IRS advises the employer to retain it in a safe place with all other important payroll and income tax records. **h**



To view other articles vital to the success of you and your business, visit <http://www.holtzrubenstein.com/adviser/adviser.php>



CERTIFIED PUBLIC ACCOUNTANTS, BUSINESS ADVISERS

Superior Thinking.
Unmatched Integrity.

Holtz Rubenstein Reminick LLP • www.hrrllp.com

1430 Broadway
New York, NY 10018
212-697-6900

125 Baylis Road
Melville, NY 11747
631-752-7400

To change contact information, please contact info@holtznews.com

ARTICLES INCLUDED HEREIN DO NOT CONSTITUTE AN OPINION AND ARE NOT INTENDED OR WRITTEN TO BE USED, AND THEY CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. This publication is designed to present matters of general interest relating to accounting, taxation and business management. Articles were written by the staff of Holtz Rubenstein Reminick LLP. Please consult your HRR adviser before taking any specific actions.

©2010 Holtz Rubenstein Reminick LLP.