

*The following article, courtesy of the **American Staffing Association**, provides information for significant potential payroll tax savings for your firm. Hope you find it helpful!*

May 24, 2010

IRS Publishes Final HIRE Act Form

Payroll tax holiday for hiring previously unemployed workers

The Hiring Incentives to Restore Employment (HIRE) Act was enacted earlier this year to provide a temporary payroll tax holiday to companies that hire previously unemployed workers during 2010. Last week, U.S. Internal Revenue Service released a revised Form 941, its final version of the document employers can use to claim HIRE Act payroll exemptions for "qualified individuals." Under the HIRE Act, a qualified individual is a person who begins employment after Feb. 3, 2010, and before Jan. 1, 2011; has not been employed for more than 40 hours during the preceding 60-day period; is not being employed to replace another employee except one who quit voluntarily or who was fired for cause (including downsizing); and is not "related" to the employer under rules set forth in the U.S. tax code. **Employees also must sign an affidavit certifying that they had not been employed for more than 40 hours total in the 60-day period immediately prior to beginning employment.**

Employers can use Form 941 to claim a credit for wages paid to qualified employees in 2010. Visit irs.gov to download **Form 941** and read **instructions** for filling out the form.

Anne Duffy



© 2010 by the American Staffing Association, 277 S. Washington St., Suite 200, Alexandria, VA 22314-3675, 703-253-2020, fax 703-253-2053, americanstaffing.net

The American Staffing Association promotes legal, ethical, and professional practices for the \$61 billion U.S. staffing industry. ASA members account for 85% of U.S. staffing industry sales and operate some 14,000 offices throughout the nation. Two million Americans go to work for U.S. staffing companies every business day.