

## The HIRE Act

The President signed the HIRE Act into law at 11:30am March 18, 2010. The law provides several different opportunities for businesses to capitalize on incentives for hiring additional employees who meet the following criteria.

### Qualifications

#### Qualified Employees **MUST** be:

- Hired after Feb 3, 2010 and before Jan 1, 2011
- Haven't been employed more than 40 hours within the past 60 days

#### Qualified Employees **CANNOT** be:

- Hired individual cannot replace an existing employee unless that employee was displaced due to voluntary separation or terminated with cause
- Employees who own more than 50% of the business aren't eligible
- 1099 Employees

#### Qualified Employers **ARE**:

- Any company
- Any non-profit (religious institutions)
- Public and Private Colleges and Universities

#### Qualified Employers are **ALL** employers **EXCEPT**:

- United States Government (or any subdivision)
- State Government (or any subdivision)

### Benefits

In its final form, the law provides the following benefits for hiring these employees:

- **Base Credit** - Employers are forgiven the Social Security Tax (6.2%) due on wages paid to the employee up to a maximum wage of \$106,800 on wages paid between March 19 and December 31, 2010.
- **Bonus Credit** - employers are given a bonus credit for employees who remain employed for a year. Credit is the lesser of: \$1,000 or 6.2% of the wages paid to the employee in 2010.
- The Employer's Medicare tax is **NOT** forgiven under the HIRE Act  
The maximum benefit that can be attained under this plan is \$7,622 per employee including the bonus credit.