



June 14, 2010

Dear Clients:

PMC wants you to be aware of a new FICA tax credit that may benefit your practice immediately. This is called the Hiring Incentives to Restore Employment (HIRE) Act.

Here are the details:

Employers who hire unemployed workers this year (after Feb. 3, 2010, and before Jan. 1, 2011) may qualify for a 6.2 percent payroll tax incentive, in effect exempting them from the employer's share of Social Security tax on wages paid to these workers after March 18. This reduction will have no effect on the employee's future Social Security benefits. The employee's 6.2 percent share of Social Security tax and the employer and employee's shares of Medicare tax still apply to all wages.

What you need to do:

For PMC payroll clients, please provide the attached form to any employee that has started working for you after February 3, 2010. Please notify PMC of any eligible employees so that we may properly report your FICA tax savings on your quarterly payroll tax return (Form 941). If an employee is eligible, forward us a signed copy of the attached form. If we do not receive this form from you for a new hire, we will assume you have determined the employee is not eligible.

For non PMC payroll clients, please contact your payroll service for implementing your FICA tax benefits.

Should you have any questions, please don't hesitate to call.

Janet B. McLaughlin, CHBC
Alan Fritzshall

Hiring Incentives to Restore Employment (HIRE) Act

Have you been unemployed or have you not worked for anyone for more than 40 hours during the 60 day period ending on the first day of employment with this office. If yes, please mark the "yes" box below and complete and sign the affidavit, Form W-11, below. Please be advised that this will have no effect on your future Social Security benefits. If no, please mark the "no" box and sign below. Thank you for your cooperation.

Yes No

Signature (if "No" marked above) Date _____

Form **W-11**
(April 2010)
Department of the Treasury
Internal Revenue Service

Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit

▶ Do not send this form to the IRS. Keep this form for your records.

To be completed by new employee. Affidavit is not valid unless employee signs it.

I certify that I have been unemployed or have not worked for anyone for more than 40 hours during the 60-day period ending on the date I began employment with this employer.

Your name _____ Social security number ▶ _____

First date of employment ____ / ____ / ____ Name of employer _____

Under penalties of perjury, I declare that I have examined this affidavit and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature ▶ _____ Date ▶ ____ / ____ / ____

Instructions to the Employer

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form W-11 to confirm that an employee is a qualified employee under the HIRE Act. You can use another similar statement if it contains the information above and the employee signs it under penalties of perjury.

Only employees who meet all the requirements of a qualified employee may complete this affidavit or similar statement. You cannot claim the HIRE Act benefits, including the payroll tax exemption or the new hire retention credit, unless the employee completes and signs this affidavit or similar statement under penalties of perjury and is otherwise a qualified employee.

A "qualified employee" is an employee who:

- begins employment with you after February 3, 2010, and before January 1, 2011;
- certifies by signed affidavit, or similar statement under penalties of perjury, that he or she has not been employed for more than 40 hours during the 60-day period ending on the date the employee begins employment with you;
- is not employed by you to replace another employee unless the other employee separated from employment voluntarily or for cause (including downsizing); and
- is not related to you. An employee is related to you if he or she is your child or a descendent of your child,

your sibling or stepsibling, your parent or an ancestor of your parent, your stepparent, your niece or nephew, your aunt or uncle, or your in-law. An employee also is related to you if he or she is related to anyone who owns more than 50% of your outstanding stock or capital and profits interest or is your dependent or a dependent of anyone who owns more than 50% of your outstanding stock or capital and profits interest.

If you are an estate or trust, see section 51(i)(1) and section 152(d)(2) for more details.



Do not send this form to the IRS. Keep it with your other payroll and income tax records.