

BUSINESS

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HIRE Act can assist employers

On March 18, 2010, President Obama signed in a new set of hiring incentives for qualified employers. The Hiring Incentives to Restore Employment (HIRE) Act is designed to encourage employers to hire and retain new employees who qualify under certain rules. Qualified employers will be exempt from paying the "OASDI" (the Old Age, Survivors and Disability Insurance) portion of Social Security Taxes for qualified workers hired between February 3, 2010, and December 31, 2010. The exemption is only for the employer's portion, not the employee's, but the reduced withholdings will have no effect on the employee's future benefits.

Employers can receive additional tax benefits for retaining these new workers for at least a year. If the qualified worker remains employed for fifty-two (52) consecutive weeks, that employer may also be eligible to claim a general business tax credit of up to \$1000 per worker on their 2011 income tax returns.

"It should be good for the area," says tax attorney John LaBar, "but only for those employers who are already close to hiring anyway. It's not by itself a strong enough reason for hiring, but combined with the additional \$1000 for retained workers, it should provide support for new long-term jobs."