

HEALTHCARE REFORM SYMPOSIUM

PAYROLL IMPLICATIONS

EMPLOYEE BENEFITS SERVICES

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JUNE 7, 2010



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2010

- COBRA –
 - Terminated between 3/1/09 and 5/31/10
 - Former Employee Pays 35% of Premium
 - Employer Pays Balance and gets Equal Reduction on Employment Taxes

2010

- Hiring Incentives to Restore Employment (HIRE) Act
 - Payroll Tax Exemption
 - Employed between 2/3/10 and 12/31/10
 - No Employer Social Security Tax on wages paid between 3/19/10 and 12/31/10
 - Revised Form 941
 - New Hire Retention Credit
 - For Newly Hired Employees that Remain Employed 12 Months
 - \$1,000 Credit on Business Income Tax
- Form W-11

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.

Employer'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 descendant 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.

2011

- Report Cost of Employer Sponsored Health Care Coverage (Medical, Dental, Vision) on W-2
- CLASS (Community Living Assistance Services and Support), effective 1/1/11 if employer chooses to offer, automatic enrollment for premiums



Employee Benefits

SERVICES

A Division of HCL-EBS, Inc.

2012

- 1099s for Corporate and Individual Payees

2013

- Increase Medicare Withholding on Wages over \$200,000/\$250,000 from 1.45% to 2.35%
- Medicare Tax of 3.8% will also be due on Unearned Income if AGI over \$200,000/\$250,000



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PROPOSED

- Employer Misclassification Act
 - Notify Workers of Status (Employee or Independent Contractor) in Writing, Include Information on DOL Web site
 - Keep Records of Hours Worked and Amounts Paid to Independent Contractors