



# RINA Alert!

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## Cash for Employers - American Recovery and Reinvestment Act

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Alameda, Contra Costa, and San Francisco Counties all have programs to incentivize employers to create "JOBS NOW". Depending on the county, Employers can receive up to a 100% wage subsidy for compensation up to approximately \$35 per hour. This program is funded by the American Recovery and Reinvestment Act of 2009 and is set to expire September 30, 2010. There is some hope that it will be extended.

Some of the highlights of the program are the following:

- Alameda County reimburses of 80% of the employee's wages and payroll taxes
- San Francisco County reimburses 100% of the employee's wages.
- Eligible employees and employers must register with the county to participate
- Alameda County also has internship programs that cover 100% of the cost of the employee intern.

As an example of this benefit, a client participant employer hired 9 people through this program with average annual salaries of \$50,000. If they work for 6 months at this rate, the employer will save \$180,000. Since the employer is also in an enterprise zone, they will also receive California enterprise zone credits for some of these employees that meet other criteria for enterprise zone credits.

As a hypothetical of how this program can work, let's take the example of a professional services firm that needs to hire an additional professional and that person has been unemployed for over 30 days. The proposed annual salary is \$125,000. Would this person qualify for the Program?

The response from the county was as follows:

- Assuming the employee has a dependent under the age of 18 and has not had any household income during the past 30 days, then this person would qualify.
- Both the employee and employer need to register with the county prior to employment. To register as an employer takes 2 - 4 weeks.
- The county will reimburse up to \$35 an hour of the total compensation, excluding

payroll taxes (each county does this a little different. Alameda county reimburses 80% of the wages and payroll taxes).

To find out if you qualify in your county or you have any questions, please contact us.

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