



## Payroll Tax Holiday is Over in 2013...

For the tax year 2013, there are a few changes that will affect the payroll taxes paid by everyone. The Social Security Administration has announced an increase to the taxable wage base for computing next year's Social Security tax, both for employees and employers, to \$113,700 from \$110,100. This \$3,600 increase was determined by the overall increase in the national average wage base over the last year.

Perhaps one of the most impactful changes to employees in the next year is the expiration of the 2% tax break for Social Security taxes paid by the employee. As this temporary cut expires, employees will now pay 6.2% for Social Security taxes on the first \$113,700 of gross wages. The standard Medicare tax (1.45%) continues to have an unlimited taxable base.

Finally, 2013 marks the first year for some of the tax provisions of the Patient Protection and Affordable Care Act (PAPCA). Next year employees earning more than \$200,000 of gross wages will see an additional 0.9% Medicare tax ( $1.45 + 0.9 = 2.35\%$ ) on those wages in excess of the \$200,000 safe harbor mark. Those taxpayers filing married joint or married filing separate returns will have additional thresholds of \$250,000 and \$125,000 respectively. Employees falling into either of these two categories will want to let their employer know that they have reached this threshold so the additional withholding may occur to avoid the additional tax liability when filing annual Form 1040.

While there are many tax issues that remain in dispute between the political parties, currently there appears to be a general agreement on both sides that the two percent Social Security tax cut for employees will not be one of the "Fiscal Cliff" provisions that would be on the table for extension.

*Article by Kyle Phillips, CPA, reprinted from UHYLLP Newsletter, November 2012*

## Salaries for Tech Workers expected to increase 2x national average...

The competition to hire tech workers in 2013 is increasing, and when you do onboard a tech worker, the salary will be significantly higher than the norm.

According to Robert Half International in its 2013 Robert Half Technology Salary Guide, an average increase of 5.3% is expected, compared to a national average for all occupations at about 3%. Some tech salaries may increase up to 12%, as the competition for talent grows.

"The pool of candidates is shrinking as the demand for technology experts increase. Competition is expected to be particularly fierce for professionals who can support mobile, big data, cloud and virtualization initiatives."

According to the Half study, a wireless network engineer who averaged \$79,250 - \$108,500 in 2013, will look at a salary in 2013 between \$85,500 and \$117,000. If additional skills are required, the salary can bump up another 9%. Top salaries can be had in cities such as San Francisco (35.5% over national average) and New York City (40% over national average.)

The pool of candidates continues to shrink, while the demand increases. According to the Robert Half Guide, "(companies) are looking specifically for candidates who possess that ideal union of business knowledge, technology expertise and analytics skills."

*Excerpt from article by John Zanne. [www.TNLT.com](http://www.TNLT.com). Oct. 18. 2012.*

### In this issue:

- Changes in payroll tax for 2013
- Higher salaries for tech workers
- Parts of the Affordable Care Act that will affect employees in 2013
- - Liven up your interviews

### Employees Only is Moving!

Effective Nov. 9, 2012, our new address will be:

805 Oakwood, Suite  
100, Rochester, MI  
48307

Same phone number:  
248-276-0950

## Affordable Care Act rules that affect employees in 2013...

Most of the Affordable Care Act requirements are not in effect until 2014, but there are three mandates that will be included in 2013:

- Each health care plan participant will be provided a Summary of Benefits and Coverage (SBC) with a uniform glossary of terms. This document will explain in a consistent, clear and comparable format the different plans offered to the employee to aid them in making an informed choice in regards to coverage.
- The limit on salary reduction contributions on health flexible spending in 2013 will be \$2500. Prior to the Affordable Care Act, there was no limit to how much an employee could contribute to a flexible spending account, although most employers limited contributions to \$5000.
- Women enrolled in employer health plans which are not grandfathered will be provided specific prevention-related services with no cost sharing when provided by a network provider. These services include well-women visits, screenings, counseling and support.

*Employees Only's Benefit Team will be providing additional information and details regarding any changes for 2013. If you have questions, contact a Benefit Administrator at 248-276-0950.*

*From an article by Rhonda Smith, "Three Affordable Care Act Rules Share Leading Role in Open Enrollment 2012," Bloomberg BNA HR & Payroll Resource Center*

## Juice up your interviews...

Here are some ways to get more insight into your candidate by rewording your standard interview questions.

*Standard question: **Tell me about yourself.***

*Better question: **What is the most exciting thing that ever happened to you?***

This question is usually an ice breaker. You probably will not learn anything more than what is on the cover letter and resume. However, a candidate who talks about the birth of his son shows that he's committed and loyal. An applicant who beams while describing his a published piece of poetry shows you his creative side, and someone who's gone sky diving reveals that she's not afraid to take chances.

*Standard question: **Where do you see yourself in five years?***

*Better question: **What do you want your job title to be when you retire?***

If candidates say, "Right here," they seem ambitionless. If they reply, "Moving on to the position I really want," then they seem uncommitted. If they say, "Sitting in your seat," they come across as predatory. Making the time frame less immediate will help you to uncover what applicants truly enjoy and what drives them to succeed.

*Standard question: **Tell me about a time when you had to overcome an obstacle.***

*Better question: **Here is a problem you might encounter while working here. How would you solve it?***

To get an idea of how your new hire would handle the decisions she'd have to make in her new position, use a real, concrete example and ask her what she'd do. You can even formulate questions designed to reveal different qualities.

*From article by Don Charlton, "The 3 most hated interview questions and how you can juice them up," published on The Resumator Blog and [www.TLNT.com](http://www.TLNT.com), November 1, 2012*



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