



## NEWS RELEASE

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### **mLINQS Updates Federal Relocation System To Meet Tax Change**

**FAIRFAX, VA – (January 4, 2011)** – mLINQS, LLC today announced that the company’s moveLINQ<sup>®</sup> federal relocation expense management system has been updated to meet the new employee Social Security tax withholding rate for 2011. This rate was reduced from 6.2 percent to 4.2 percent by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, while the employer contribution remains at 6.2 percent.

Therefore, for the first time in the history of Social Security, the tax rates for employee and employer contributions are different percentages. This complicates the calculations made by electronic payroll systems. In response, the Internal Revenue Service issued IRS Notice 1036 on December 17, which advised all employers, including federal agencies, they have until January 31, 2011 to update their financial systems to conform to the new rate.

“Our staff monitors the IRS, and we went to work developing an update for moveLINQ as soon as the Notice was released,” said Greg McIntyre, president, mLINQS. “In turn, we notified our federal customers on December 28 that a software hot patch updating the tax rate had been tested and was ready for download. After completing a survey of users this morning, we found none had encountered any problem with its installation.

“Being in compliance with the new employee tax rate well before the January 31 deadline is a major benefit. For every day an agency delays adopting the new rate past an employee’s first 2011 paycheck, the payroll system must be reprogrammed to perform calculations that compensate employees for overpaying the tax in addition to the software update to comply with the tax rate change. However, we’ve confirmed that mLINQS federal customers were ready on January 1, ensuring that employees already stressed by relocation will receive the correct compensation.”

moveLINQ was developed in-house by mLINQS staff, and was originally released for general availability in 2004. The system was the first, and remains the only fully functional relocation expense management system designed solely for federal agencies. moveLINQ is currently used to support relocation for more than 30 federal agencies, including programs managed by the Environmental Protection Agency, and the Department of the Treasury Bureau of Public Debt.

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