

The most current information on how Payroll professionals can avoid legal and procedural pitfalls, in a fast-read format, twice a month.

KEEP UP TO DATE **on** PAYROLL™

June 14, 2021

IRS FORMS & REGS ALERT

The IRS is taking another look at many of the documents you use regularly, including tax forms. We'll keep you posted on any changes, such as new ways to report.

■ REPORTING DISTRIBUTIONS FROM MEDICAL ACCOUNTS

Item: 1099-SA, *Distributions From an HSA, Archer MSA, or Medicare Advantage MSA.*

Background: The form is used to report distributions, including those from health savings accounts (HSAs) and medical savings accounts (MSAs).

Comments due: 7/13/21.

Cite: *Federal Register*, 5/14/21.

■ ANNUAL TIP INCOME RETURN SENT TO IRS

Item: Form 8027, *Employer's Annual Information Return of Tip Income and Allocated Tips*, and Form 8027-T, *Transmittal of Employer's Annual Information Return of Tip Income and Allocated Tips*.

Background: Large food and beverage establishments use these forms for annual reporting.

Comments due: 7/6/21.

Cite: *Federal Register*, 5/4/21.

Go to www.gpo.gov/fdsys for copies of the forms.

Summer vacations and holidays: Key Payroll guidance from DOL

■ Ensure time away is relaxing – not disruptive

The summer season's kicking into full gear. Holidays are fast approaching, and more employees will likely be taking vacations this year as restrictions lift. And you'll have to stay on top of it all in Payroll.

From getting checks out on time to making sure there are enough staff available, here's what needs to be top of mind for you this summer season.

Keep cool in these situations

Be sure to avoid three Payroll issues that crop up this time of year.

1. **Paydays and holidays.** It's a common dilemma: Your normal payday happens to fall on an official holiday. Should you pay employees beforehand, or are you

allowed to pay them afterward? According to a presentation at the 2021 American Payroll Association Virtual Congress Xstream, your only option for remaining in compliance is to process payroll early and pay employees before the holiday. A representative from the Dept. of Labor (DOL) said the Fair Labor Standards Act specifically requires employers to pay workers by their regularly scheduled payday each pay period. Keep in mind: This year, some state holidays fall on weekends and may be officially observed on different days by different states (e.g., Juneteenth).

2. **Holidays with FMLA leave.** It can

(Please see *Guidance ... on Page 2*)

OCSE: Latest updates will make withholding easier

Payroll should be on the lookout for several changes coming soon from the Office of Child Support Enforcement (OCSE) designed to streamline communication about various types of support orders.

During a presentation at the 2021 American Payroll Association (APA) Virtual Congress Xstream, a rep from OCSE gave a preview of what's coming.

More electronic options

Starting in June 2021, Payroll pros will have the option of receiving an electronic version of the National Medical Support Notice (e-NMSN). The e-NMSN will be modeled after

the current electronic Income for Withholding Support Order (e-IWO).

OCSE is also enhancing its child support portal to allow for two-way communication. The portal will support secure info and document exchange between states and employers. Updates should be in place by fall 2021.

Currently, the child support portal allows employers to quickly update their contact info with OCSE and find info for state agencies, as well as report terminations and lump-sum payments.

Cite: "Forum on Federal Payroll Issues, Part 1," presented at the 2021 APA Virtual Congress Xstream.

Employee's case on charitable pay deductions fails: Why employer won

■ LAWSUIT CLAIMED WORKER WAS 'PRESSURED' TO MAKE DONATIONS

Charitable deductions straight from paychecks can be a great way for employees to easily donate to valuable causes. But just as with other wage deductions, the rules must be followed when Payroll sets them up.

One employer did everything right with its voluntary payroll deductions for an employee charity – which kept it from paying out big bucks when a worker sued.

In *Moshtagh v. The Home Depot USA Inc.*, an employee claimed that the employer's charitable deductions were unlawful. He said he was pressured into donating to the charity and that it was established primarily for the employer's benefit.

However, not only did the employer obtain the worker's written consent before making any deductions, as

required by law, it also had proof the charity primarily benefited employees in financial need.

The employee had no evidence that he was forced to set up the deductions, so his case was dismissed.

Getting it in writing

While federal law places restrictions on the types of pay deductions that can be made for the convenience of the employer (e.g., uniforms, tools), there aren't any specific restrictions on deductions for workers' convenience, such as donations to charities.

State laws may be more specific, though. Your best bet is to authorize these deductions in writing first.

Cite: *Moshtagh v. The Home Depot USA Inc.*, No. 2:19-cv-01205-RSM, U.S. D.C., W.D. Washington, 5/13/21.

Guidance ...

(continued from Page 1)

be tricky to know how to handle holidays when employees are out on leave under the Family and Medical Leave Act (FMLA). Per the DOL, when a holiday falls in a week where the employee's taking a full week of FMLA leave, the entire week (including the holiday) is counted as FMLA time. However, if the worker's taking intermittent leave, the holiday isn't counted as FMLA time – unless the employee was scheduled to work that day and specifically used leave for that day.

3. **Scheduling.** Now that traveling is on the table this summer, more employees will be out of the office (or away from their laptops). Plus, many workers may have a lot of accrued vacation time to use, which means they could be away for longer periods. So it's key to plan as early as possible to make sure all roles are covered during summer vacation season. Conducting some cross-training on key Payroll tasks will ensure you aren't shorthanded.

SHARPEN YOUR JUDGMENT

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ WAS TELEWORKER OWED BACK PAY AND OT WAGES?

"Hey, Pat, are you back in the office yet?" Jan, a neighbor, asked Payroll Manager Pat Gray after she stopped by Pat's house to chat.

"We're doing a hybrid schedule," Pat replied. "I spend half the week at home and the other half in the building. It's good to finally start getting back to normal."

"What about you?" asked Pat.

"Well, right now, I'm not working anywhere," Jan said. "My boss and I had a disagreement over me working from home during COVID, and he fired me for it."

Company: Worker was exempt

"Oh no," Pat said.

"Even worse, he hasn't sent me my last check or paid me for all my overtime hours," Jan said. "I'm also owed a payout for some vacation time I had left over."

"That sounds like a big hassle," Pat replied.

"It definitely is," Jan said. "I put in hours of work at home that I wasn't paid for. He says I was exempt from overtime, but I don't see how that's true since I'm paid hourly."

The former employee sued her employer, saying that she was owed overtime under federal law and that she was denied prompt payment of her last paycheck and vacation benefits as required under state law.

Her ex-employer said she didn't have a case because she was exempt from overtime. Did the worker's lawsuit move forward?

■ *Make your decision, then please turn to Page 6 for the court's ruling.*

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Latest on COVID and garnishments: Important info, changes for Payroll

■ EXTENDED RELIEF FOR EMPLOYEES WITH STUDENT LOANS AND MORE

Due to COVID-19, there have been several temporary changes to garnishments designed to provide employees with financial relief.

From student loan debt to other creditor garnishments, here are some of the latest updates Payroll needs to know to make sure workers' paychecks are correct.

Education updates

At the beginning of the pandemic, the Dept. of Education announced that all student loan payments and any accompanying interest were suspended for any federal loans it provided. This relief has just been extended through Sept. 30, 2021.

In March 2021, these terms were applied to all student loans made through the Federal Family Education Loan Program, including any privately held loans. Relief is retroactive to March 13, 2020, and it lasts until Sept. 30, 2021.

This means that any garnishment orders for employees related to defaulted student loans should be suspended for the time being.

For wage garnishments that have already happened for these loans, there's good news: Payroll won't have to issue any refunds to employees themselves. The feds have said they plan to make sure any payments made for these debts will be automatically returned to workers.

State requirements differ

Several states suspended new wage garnishment orders and existing collections during the COVID-19 emergency. However, more states are now resuming normal financial operations. So garnishments will be restarting soon, if they haven't already.

It's key to review the latest updates from each state to see what's changed recently (see our *State Trends* feature in print and online).

For the most part, child support orders and federal tax levies have remained unchanged. These debts still take priority over most other garnishments if an employee has multiple garnishment orders.

Cite: "Managing Multiple Garnishments and Determining Priority," presented at the 2021 American Payroll Association Virtual Congress Xstream.

Recent stats on paychecks – for Payroll and others

Recent info from the Bureau of Labor Statistics (BLS) contains some facts about paychecks based on occupations – and of course, Payroll is included.

In March 2021, the BLS released stats from May 2020.

Here's what the report said about Payroll and other individuals with financial responsibilities. Note: This is the national picture.

It's payday

For payroll and timekeeping clerks, the numbers were:

- median hourly wage – \$22.61
- mean hourly wage – \$23.21, and
- annual mean wage – \$48,290.

Financial clerks earned an average of \$46,310 per year, while bookkeeping, accounting and auditing clerks saw wages of \$44,100.

Overall, the median hourly wage for office and administrative support positions like those was \$18.62. As for business and financial operations jobs, the median hourly wage was \$34.73.

More info: [bls.gov/news.release/pdf/ocwage.pdf](https://www.bls.gov/news.release/pdf/ocwage.pdf)

NEWS YOU CAN USE

■ DRAFT 941 CONTAINS NEW LINES FOR COBRA COVERAGE

IRS released a draft of Form 941, to be used in the third quarter. The draft, dated May 25, 2021, incorporates changes required by the American Rescue Plan Act.

Some new lines are added:

- 11e: Nonrefundable portion of COBRA premium assistance credit
- 11f: Number of individuals provided COBRA premium assistance, and
- 13f: Refundable portion of COBRA premium assistance credit.

Other changes have been made, too. We'll let you know when the form is finalized.

More info: [irs.gov/pub/irs-dft/f941--dft.pdf](https://www.irs.gov/pub/irs-dft/f941--dft.pdf)

■ RECORDKEEPING HEADS-UP: E-VERIFY FILES GOING AWAY

The pressure's on to take care of some recordkeeping responsibilities. That's because U.S. Citizenship and Immigration Services (USCIS) said it'd be getting rid of certain old files soon.

If you want to keep E-Verify records that are more than 10 years old – i.e., those dated on or before Dec. 31, 2010 – you'll need to download them before June 4, 2021.

Instructions on how to download a Historic Records Report are available from USCIS.

More info: [e-verify.gov/about-e-verify/whats-new](https://www.e-verify.gov/about-e-verify/whats-new)

■ MINIMUM WAGE INCREASING FOR FEDERAL CONTRACTORS

The minimum wage for federal contractors is going up. At least you have time to prepare: The rate change will kick in Jan. 30, 2022.

At that time, the rate will be \$15 per hour. Every year after that the rate will be adjusted to reflect changes in the cost of living.

More info: bit.ly/minimumwage624

TEST YOUR KNOWLEDGE

■ IRS' new COBRA tax credit: Latest info for employers

Employers are now eligible to claim a tax credit for providing certain people with premium assistance for COBRA coverage.

Recently, the IRS released Notice 2021-31, which contains a series of common questions and answers about the credit. Are you up to date on the latest requirements for claiming it? Answer *True* or *False* to the following:

1. Employers can claim the COBRA tax credit for those who elect to receive coverage between April 1, 2021, and Sept. 30, 2021.
2. The tax credit can only be claimed for COBRA coverage offered directly to the employee.
3. Before claiming the credit, employers must get each person covered to self-certify their eligibility for COBRA coverage.
4. Medicare beneficiaries are eligible for premium assistance.

ANSWERS

- Answers to the quiz:
1. *True*. During this time frame, employers can claim the tax credit for providing individuals who experienced a reduction in hours or an involuntary termination not related to misconduct with COBRA continuation coverage. *False*. Employers are also eligible for the tax credit if they provide continuation coverage to any qualifying beneficiaries (i.e., the employee's spouse or dependent children) on the group plan.
 3. *False*. Employers are allowed to ask individuals to self-certify their eligibility, but it isn't required.
 4. *False*. Medicare beneficiaries may be eligible for COBRA coverage, but they can't receive premium assistance for the tax credit. *More info: irs.gov/pub/irs-dropt-n-21-31.pdf*

COMPLIANCE CHECK

See where other companies went wrong – and avoid their mistakes

This feature highlights violations of federal and state laws. You can find out how other employers got off track – and help keep your company in compliance.

Misclassifying workers costs employer \$358K

Employer: Servant's Quest, Oliver Springs, TN.

Business: Home health care.

Law broken: Overtime provisions of the Fair Labor Standards Act.

Type of violation: Servant's Quest misclassified caregivers as independent contractors and paid them straight-time rates for hours worked over 40 in a workweek.

Penalty: The employer paid \$358,675 in back wages to 50 workers.

Government office: Dept. of Labor, Wage and Hour Division, Nashville, TN, office.

Government office: Dept. of Labor, Wage and Hour Division, Columbus, OH, office.

1 employee, 2 checks: Employer pays back OT

Employer: Properties of Elegant Distinction LLC, Boynton Beach, FL.

Business: Residential construction contractor.

Law broken: Overtime provisions of the Fair Labor Standards Act.

Type of violation: For the first 40 hours of the workweek, employees were paid via check or direct deposit. Any additional hours were paid with a separate check from a different account at workers' straight-time rates.

Penalty: Forty workers received \$240,497 in back wages.

Government office: Dept. of Labor, Wage and Hour Division, Miami District Office.

Multiple H-2B violations lead to hefty penalties

Employer: Alvarado Landscaping, Lorain, OH.

Business: Landscaping company.

Law broken: Labor provisions of the H-2B visa program.

Type of violation: The employer violated the terms of the H-2B visa program in various ways. It didn't pay workers' transportation or meal expenses, and workers received overtime pay in cash at rates lower than the required prevailing wage. In addition, deductions were illegally taken from workers' checks to cover their housing costs. The employer also kept inaccurate pay and time records.

Penalty: Twelve temporary employees received \$36,179 in back wages. In addition, Alvarado Landscaping had to pay \$40,000 in penalties.

Feds: Pre-shift meetings should've been paid

Employer: Maggiano's Little Italy, Philadelphia.

Business: Chain restaurant.

Law broken: Minimum wage and overtime violations of the Fair Labor Standards Act.

Type of violation: Servers were required to attend pre-shift meetings that lasted between 15 and 30 minutes without being paid for their time.

Penalty: Maggiano's Little Italy paid 82 workers \$116,308 in back wages. The Dept. of Labor said the violations were willful and ordered the employer to pay an additional penalty of \$68,060.

Government office: Dept. of Labor, Wage and Hour Division, Philadelphia District Office.

Our readers come from a broad range of companies and organizations, both large and small. In this regular feature, three of them share success stories you may be able to adapt to your unique situation.

1 Changed the messenger to boost direct deposit participation

Although we had gotten many of our employees to sign up for direct deposit, we still had some holdouts who weren't budging.

For whatever reason, they still preferred receiving a paper check. And we couldn't get through to them.

Eventually, we figured out that we weren't the ones who needed to deliver the message to these employees. They might understand the benefits more if they heard about them through

someone who once felt the same way they did about direct deposit.

Peer to peer

We started reaching out to some of our former holdouts, people who took longer than other workers to decide to sign up for direct deposit.

Then we asked them to speak with people who hadn't shifted away from paper checks to tell them about why they chose to make the switch and

what convinced them of the benefits. The current holdouts were much more receptive to direct deposit once they talked their concerns over with someone who was once in their shoes.

This approach convinced many of them to get on board themselves.

(Adapted from "Perfect Your Business Communications in the Virtual World and Beyond," presented at the 2021 American Payroll Association Virtual Congress Xstream)

2 How we started rebuilding trust in the workplace

With so much time away from the workplace during the pandemic, we felt like people grew apart.

That could be dangerous in a collaborative workforce. If employees had lost trust and respect for each other, we'd fall apart.

Share what you don't know, too

Trust between managers and employees can help everyone get through uncertain times with a higher level of ease and certainty.

We wanted to help rebuild trust

among teams and departments. So we encouraged everyone to:

- **Show up authentically.** One way was to give timely responses to colleagues. It shows you listen, even if it's a brief comment on a thread within your communication app or an email that says, "I'm looking into this."
- **Be conscious of where you show up.** Relate to people in the environment they're working or comfortable in. Some rules that apply on site – such as social distancing – aren't

necessary for virtual meetings, and some virtual rules aren't necessary for in-person meetings.

- **Be transparent.** It's just as important to tell others what you don't know or don't have as it is to tell them what you know and have.

(Jo McRell, diversity & inclusion lead, Facebook, shared this success in an HRMorning.com masterclass)

**REAL
PROBLEMS
REAL
SOLUTIONS**

3 Increased employee participation in financial wellness benefit

We got a sense that our employees weren't using what was being offered by our former financial wellness education provider.

Because of the diversity of our workforce, everybody was in a different place with their level of financial confidence and the life decisions they're facing with their pay.

Search for right features

The vendor did expand access via an information hub. However, it

wasn't user-friendly because the layout was cluttered with content.

So we researched and interviewed a number of new vendors. Then we viewed demos of each platform.

Because of how much everybody's on their mobile devices, we selected a vendor that offered mobile-friendly accounts. Their platform allowed employees to easily get a financial checkup, set up a budget and educate themselves. Anyone needing more support beyond what they could

do on their own could speak with a financial planner.

Engagement spiked with a webinar about how to feel good about your finances. In a positive tone, it covered how to set goals and start saving money while still enjoying life now.

As a result, participation in our financial wellness benefit went up 1,900%, so more workers are saving.

(Theresa Cappel, human resources director, Messer Construction Co., Cincinnati)

Offices after COVID: 3 changes that may become permanent for Payroll

■ WHAT YOU'LL NEED TO DO TO ADAPT TO DIFFERENT WORK ENVIRONMENT

COVID-19 changed the way many workplaces – and many Payroll pros – operate. And while most offices are slowly starting to return to normal, some changes may impact the nature of work going forward.

Which developments are likely here to stay? At the 2021 American Payroll Association (APA) Virtual Congress Xstream, a panel of experts discussed the changes that are most likely to become permanent in the workforce.

3 long-lasting developments

Based on their predictions, here are three key trends that emerged during COVID that are poised to stick around long-term and impact Payroll.

1. **Remote work.** Although some employers are chomping at the bit to get workers back in the office, remote work and the flexibility it offers will likely become more of a permanent fixture in many industries. More employees are drawn to the idea of having flexible schedules that allow for

telecommuting on at least a part-time basis. That not only gives Payroll more of a chance to take advantage of this flexibility, it also leads to more challenges with tracking the hours of workers who are spread out all over the country and are becoming more used to making their own schedules. Your timekeeping and payroll systems must be able to track these workers.

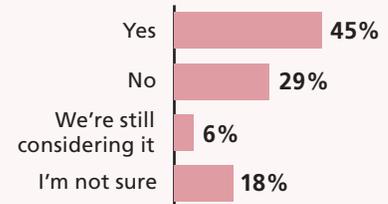
2. **Earned wage access.** Workers who've experienced financial stress during COVID have expressed more interest in being able to access their pay as they earn it, rather than waiting for payday. This benefit can help with retention and recruitment, but it's not without its challenges. The legal landscape behind on-demand pay is still murky, and some claim it encourages financial irresponsibility. Regardless, it's something that more Payroll pros might have to consider implementing moving forward.
3. **Tech advances.** From digital, contactless payments to video meetings, technology will become even more important to all roles,

WHAT PAYROLL PROS TOLD US

Leave for COVID-related reasons

Has your organization opted to voluntarily provide FFCRA qualified leave in 2021?

Note: Percentages don't equal 100% due to rounding.



Source: Poll, 2021 American Payroll Association Congress Xstream

Employers are still providing Families First Coronavirus Response Act (FFCRA) leave to claim federal tax credits or comply with state mandates on leave for COVID-19 vaccination.

Each issue of KUDP contains an exclusive survey to give Payroll pros insight into what their peers nationwide are thinking and doing.

including Payroll. It's key to continue to be open and adaptable to new tech as offices reopen, incorporating technology such as self-service apps for employees into your normal payroll processes.

Cite: "Beyond Pay: Embracing the Economy of Change" presented at the 2021 APA Virtual Congress Xstream.

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

Yes, the worker's case moved forward. A court said there was merit in her claims against her former company for overtime pay and unpaid wages.

The employer argued the ex-employee wasn't entitled to receive any overtime pay because she was an exempt employee under the Fair Labor Standards Act (FLSA). But the employee insisted she was paid hourly and was owed overtime for the hours she worked at home.

According to the court, there was enough of a dispute over whether she was paid accurately for her case to proceed to a jury. Both the employee and the company will have to present more evidence at trial so the jury can determine how she should've been classified and paid.

The court also said the employee's claims for unpaid wages and vacation time could stand under state law. While the employer tried to argue that the worker couldn't claim both a state labor law violation and a violation of the

FLSA, the court said nothing in the law prevented this since both her claims were for separate pay issues.

Now, the company's in for an expensive legal battle to prove it paid the worker correctly for the time she spent working at home.

Analysis: Communicating with teleworkers

With so many employees still working from home during the COVID-19 pandemic, communication can be difficult. So it may be tough to know what hours they're working.

That's why it's important for Payroll to keep the lines of communication open with off-site employees. Whether it's through email, online chat or phone call, remind them to make sure their hours are accurately recorded on their timesheets so they can be paid correctly. It's also a good idea to encourage workers to speak with their supervisors if they feel like they need to work overtime to get things done so adjustments can be made, if possible.

Cite: Kingsbery v. Paddison, Civil Action No. 20-3192, U.S. D.C., E.D. Louisiana, 5/12/21. Note: Dramatized for effect.

Industry news you can use

■ NM employers must start paying teen students higher wages

There's a new minimum wage for high school student employees in New Mexico.

Effective June 18, 2021, SB 35 repeals the former minimum wage of \$8.50 per hour and requires employers to pay young workers at least \$10.50 per hour, which is the regular state minimum wage. If a worker is younger than 19 years old and not a student, the new requirements don't apply.

More info: legiscan.com/NM/bill/SB35/2021

■ Court: Even if commute was long, time still isn't compensable

Welders and pipefitters who were required to commute to work using transportation provided by their employer had to be paid for their commuting time.

That's according to the ruling in *Bennett v. McDermott International Inc.* Here, employees sued, claiming their travel time to work should've

been compensable.

To get to the worksite, employees had to drive to park and ride sites, then catch a bus from their employer. Buses were often crowded, so workers would have to wait or drive to another site. This made the process take hours.

Despite all this, an appeals court ruled they didn't have to be paid for their commuting time because they weren't working during the commute and it wasn't an integral part of their jobs with the company.

More info: bit.ly/commute624

■ Proposed CA bill increases wage liability for garment retailers

If California's SB 62 passes, it would make clothing retailers liable for wage and hour violations at all levels of the manufacturing process.

Even if it's a subcontractor hired to dye garments or sew clothing labels that commits the violation, the retailer would have to cover any unpaid wages to workers. We'll keep you posted.

More info: bit.ly/caretail624

Answers to readers' most pressing Payroll questions

Whether you're a longtime Payroll person or new to the profession, no doubt you occasionally face situations that leave you scratching your head. Here, we answer common dilemmas:

How can we easily find and replace duplicate cells in Excel?

Q: Sometimes the same data ends up in our Excel spreadsheets twice due to human error. Is there an easy way to find and remove duplicate entries in cells?

A: To find duplicated data in Excel, first select the cells you want to check for duplicates. Then, select Home, go to Conditional Formatting, click Highlight Cell Rules and select Duplicate Values. In the box that's next to "values with," select the formatting you'd like to apply

to any duplicates found (e.g., highlighting, different text color), then click OK. The cells with duplicate values should now appear in the format you chose. To remove these cells, select the range of cells where there are duplicate values. Then, go to Data and select Remove Duplicates. Under the Columns menu, you can check any columns where you'd like to remove duplicate cells. Once you've done so, click OK.

Cite: "Excel Skills: Tips and Tricks," presented at the 2021 American Payroll Association Virtual Congress Xstream.

Send questions to jweiss@HRMorning.com. Because of the volume of mail we receive, we regret we can't answer all submissions.

WHERE TO GET HELP

RECENT CHANGES TO FEDERAL FORMS AND PUBLICATIONS

This list of forms and instructions, and other publications contains Payroll-related updates.

Note these seven updates from the IRS.

- Form 14039-B, *Business Identity Theft Affidavit*. Revised May 2021. Posted 5/24/21 by IRS.
- Form 14039-B (SP), *Business Identity Theft Affidavit (Spanish Version)*. Revised May 2021. Posted 5/24/21 by IRS.
- Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*. Revised 2020. Posted 5/25/21 by IRS.
- Form 12339, *Internal Revenue Service Advisory Council Membership Application*. Revised May 2021. Posted 5/25/21 by IRS.
- Publication 1136, *Statistics of Income Bulletin, A Quarterly Statistics of Income Report*. Posted 5/25/21 by IRS.
- Publication 3498-A, *The Examination Process (Audits by Mail)*. Revised May 2021. Posted 5/26/21 by IRS.
- Form 8945, *PTIN Supplemental Application For U.S. Citizens Without a Social Security Number Due To Conscientious Religious Objection*. Revised May 2021. Posted 5/27/21 by IRS.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-624

The Purpose of Keep Up to Date on Payroll

Keep Up to Date on Payroll helps Payroll practitioners stay current with all the changing laws and regs.

The quick-read, easy-to-understand format gets right to the point, so you don't have to waste any time.

Keep Up to Date on Payroll provides timely information about new laws and regs, and gives you a heads up about coming changes – so you have plenty of time to prepare.

State law and reg changes Payroll needs to know

Don't see your state here? You can find additional state and local items online – it's included with your subscription. Check out our interactive map, too. Log on today!

ALABAMA

- **TAX RELIEF:** The state department of revenue is offering tax relief to employers in federally declared disaster areas due to recent severe storms. Business taxpayers will have until Aug. 2, 2021, to file returns and make payments due between March 25, 2021, and Aug. 2, 2021, without accruing penalties or interest. **More info:** bit.ly/altaxrelief624

ALASKA

- **ELECTRONIC FILING:** As the COVID-19 pandemic continues, employers are being encouraged to file their quarterly unemployment insurance contribution reports and make payments online at labor.alaska.gov/estax. The state department of labor is also collecting employers' email addresses as an alternative to communicating tax info by regular mail. **More info:** bit.ly/akonline624

INDIANA

- **TAX CONFORMITY:** Effective Jan. 1, 2021, state tax law conforms to the Internal Revenue Code as of March 31, 2021. Exception: For tax year 2020 and beyond, all employer payments of employee's student loans must be included as gross income, whether payments were made directly to the worker or the lender. **More info:** in.gov/dor/files/lib119.pdf

KENTUCKY

- **TAXABLE WAGE BASE:** HB 413 reduced the unemployment insurance taxable wage base for 2021 from \$11,100 to \$10,800

– the same rate that was in effect during 2020. **More info:** bit.ly/kywagebase624

NEW HAMPSHIRE

- **RECORDKEEPING:** Employers are allowed to keep electronic wage and hour records as of June 22, 2021, according to HB 258. Records can be signed, approved and saved digitally. All records must be retained for at least three years. **More info:** bit.ly/nhrecords624

NEW YORK

- **RETIREMENT:** Legislation in New York City would create an automatic IRA retirement savings program. Employers that don't offer their workers a retirement plan must enroll them in the program. The rule would apply to employers within city limits with at least five employees, and the default contribution rate would be 5%. Currently, the newly established retirement savings board is evaluating the rule to see when it will go into effect. We'll keep you updated. **More info:** bit.ly/nycretire624

OREGON

- **WITHHOLDING:** Two localities have implemented a new income tax on highly paid employees. The tax is effective as of Jan. 1, 2021, but withholding requirements won't be enforced until Jan. 1, 2022. In Multnomah County, residents and nonresidents with income sourced in the county must pay a 1.5% tax on any income greater than \$125,000 (\$200,000 for joint filers) and a 3% tax on any income greater than \$250,000 (\$400,000 for joint filers). In the Greater Portland Metro District, which includes workers in Clackamas, Multnomah and Washington counties, residents and nonresidents working in the district must pay a 1% tax on any income

over \$125,000 (\$200,000 for joint filers). Tax forms and payments can be submitted online at pro.portland.gov. **More info:** portland.gov/revenue/pay-wit

WEST VIRGINIA

- **WITHHOLDING:** Due to HB 2026, employers won't have to withhold state income taxes from the pay of certain employees temporarily teleworking in West Virginia. Three criteria must be met. 1) Workers are paid for duties performed in state for 30 or fewer days. 2) The employee performed duties in more than one state. 3) The person wasn't working as a professional athlete, public figure or entertainer, and the person's state of residence either has a similar exemption or doesn't have an income tax at all. The bill will be effective Jan. 1, 2022. **More info:** bit.ly/wvwithhold624

THE LIGHTER SIDE

Sometimes, processing payroll can be exhausting. You might wish that you could curl up somewhere private and take a nap.

EachNight.com, a website that specializes in reviews of mattresses, is looking for similarly tired folks to act as "nap reviewers."

The nappers will be paid \$1,500 to take a nap every day for 30 days under different conditions and for varying time periods.

Ultimately, the experiment is designed to determine the pros and cons of midday napping – and whether naps improve people's productivity, motivation and energy.

Even if it's tempting, we don't suggest trying this while working. You also may want to keep an eye out in case employees are conducting similar experiments on the clock.

Cite: bit.ly/nappay624