

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™

July 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.

### ■ QUALIFIED BUSINESS INCOME DEDUCTION

**Item:** Form 8995, *Qualified Business Income Deduction Simplified Computation*, and Form 8995-A, *Qualified Business Income Deduction*.

**Background:** Taxpayers use these forms to calculate and report the qualified business income deduction.

**Comments due:** 8/2/21.

**Cite:** *Federal Register*, 6/1/21.

### ■ FORM 5205-SEP RETAINED IN EMPLOYER RECORDS

**Item:** Form 5305-SEP, *Simplified Employee Pension-Individual Retirement Accounts Contribution Agreement*.

**Background:** Employers who make an agreement to provide benefits to all employees under a Simplified Employee Pension retain this form in their records.

**Comments due:** 8/2/21.

**Cite:** *Federal Register*, 6/2/21.

Go to [www.gpo.gov/fdsys](http://www.gpo.gov/fdsys) for copies of the forms.

## OT regs under review again: New salary threshold coming?

### ■ Current amount is too low, says Labor Secretary

**G**et ready: The salary threshold for who's exempt from overtime under federal law could soon increase from the current \$35,568.

That's according to the new Secretary of Labor, Marty Walsh, who testified June 9, 2021, during a House Education and Labor Committee hearing.

Walsh discussed the Dept. of Labor's (DOL's) policies and priorities, including overtime.

When asked if the current salary threshold is too low, Walsh answered it "definitely" is.

That amount – \$684 per week, which comes out to \$35,568 annually – just took effect in 2020.

That was after years of review.

Now, the overtime regs are back on the table. In fact, Walsh told the Committee that "as we speak" people at the DOL are reviewing the regs.

### Doing the calculations

Some members of Congress are pushing for a standard salary level of about \$85,000 by 2023 – that'd be the 55th percentile of earnings for full-time salaried workers.

Of course, it's too early to make plans involving any dollar amounts.

**Here's a step you can take now:** Determine which exempt employees are receiving nondiscretionary

*(Please see OT regs ... on Page 2)*

## Juneteenth: How newest federal holiday affects you

**Y**our company may or may not have celebrated Juneteenth this year, but now that it's a federal holiday, it'll likely impact your payroll process going forward.

President Biden signed legislation on June 17, 2021, making Juneteenth (June 19), a legal public holiday to commemorate the end of slavery in the U.S. Here's what that means to you.

### Planning ahead

As a federal holiday, Juneteenth could impact your payroll cycle and certain filing deadlines since banks, nonessential government offices and post offices are typically closed.

Federal holidays that fall on weekends are especially tricky. If the holiday occurs on a Saturday, it's observed the Friday before, and if it falls on a Sunday, it'll be observed the Monday afterward. Heads up: June 19 is a Sunday in 2022, meaning the federal holiday will be observed on the following Monday.

Several states also recognize Juneteenth as a paid state holiday. That means you'll have to check that the holiday doesn't affect state tax payment or reporting deadlines. For more on upcoming holidays, check out our Work Holidays resource online.

**More info:** [bit.ly/juneteenth626](http://bit.ly/juneteenth626)

## Why it's key to double-check IWOs to ensure deductions are accurate

### ■ EMPLOYER LANDED IN COURT DUE TO ISSUES WITH CHILD SUPPORT

When you receive an Income Withholding Order for Support (IWO) for an employee, it's crucial to carefully review the form to make sure you're deducting the right amount for child support.

One employer's misreading of the form turned into a long court battle with an employee's former spouse.

### More withholding needed

In *Burns v. Delta Airlines*, the worker's ex-spouse claimed she was owed penalties from the employer because it didn't follow the IWO it received correctly.

Initially, the employer didn't withhold enough of the worker's disposable income to cover his child support obligations. It opted to deduct from his pay at the lowest amount allowed by the Consumer Credit

Protection Act (CCPA). However, the worker was actually in arrears, so more of his pay should've been withheld. The employer said this was merely a case of human error.

Because the employer withheld at least the minimum in good faith and eventually corrected its mistake, an appeals court reduced the penalties it had to pay – but it's still on the hook for some penalties and interest.

Per the CCPA, if an employee is at least 12 weeks behind on making child support payments, the maximum amount of disposable income that can be withheld is 55% if the employee is supporting another spouse or child and 65% otherwise.

**Cite:** *Burns v. Delta Airlines*, No. 2-20-0313, Appellate Court of Illinois, Second District, 6/10/21.

### OT regs ...

(continued from Page 1)

bonuses or incentive payments such as commissions. Under the current regs, employers can count such payments toward 10% of the salary threshold. It's hard to say whether that provision will stay intact. So preparation is key.

### HCE exemption: \$107,432

Remember, the current \$35,568 standard salary level pertains to the executive, administrative or professional exemption.

For workers to be exempt from overtime as highly compensated employees (HCEs), they must be paid \$107,432 per year – that corresponds to the 80th percentile of earnings for full-time salaried workers.

Each week, HCE workers must earn at least \$684. The remainder of their total annual compensation may include commissions, nondiscretionary bonuses and other nondiscretionary compensation – under the current regs. If that changes, we'll let you know.

More info: [edlabor.house.gov](http://edlabor.house.gov)

## 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.

### ■ ARE VOLUNTEER HOURS CONSIDERED TIME WORKED?

"How's that new employee volunteer program coming along?" Payroll Manager Pat Gray asked HR Manager Cheryl Jones. "I think I may spend some hours helping at the animal shelter myself."

"I actually came to talk to you about that," Cheryl replied. "We have some workers saying the time they've spent volunteering should be considered as hours worked. Is that right?"

### Not forced to participate

"Why do they think the hours should count as time worked?" Pat asked Cheryl.

"They told me it's because they're being paid for the time they spent volunteering, and they're doing it on the company's behalf," Cheryl replied.

"But the program is voluntary," Pat said. "No one forced them to sign up to participate, and they get to work with the nonprofit of their choice. Nothing here suggests that their volunteer hours would count as time worked."

The employees eventually sued the company, saying the hours they spent volunteering through their employer's program should've counted as time worked under the Fair Labor Standards Act.

In its defense, the company said participation in the program wasn't mandatory. The employees could choose when and where they wanted to volunteer, and the nonprofit controlled what they did while volunteering. Who won?

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

From: **HR MORNING**  
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## HSA contributions: Info you'll need to answer employee questions

### ■ NEW CONTRIBUTION LIMITS, TAX IMPLICATIONS & MORE

Participation in health savings accounts (HSAs) is growing, which means more employees may come to you with questions about how contributions work.

According to a survey by consulting firm Devenir, the number of HSAs grew by 6% from 2020 to 2021, with 59% of contributions made by employees and 26% of contributions made by employers. The average contribution made by an employer was \$870.

With that in mind, here are some key details about HSAs you'll need to know in case workers have questions.

### Handling employees' accounts

Employees will be able to contribute more to their HSAs next year. For 2022, the maximum contribution amount for those with individual coverage will be \$3,650 (up from \$3,600). Those with family coverage will be able to contribute \$7,300 (up from \$7,200).

Workers age 55 or older can make an additional HSA catch-up contribution of \$1,000.

HSA eligibility is tied to an employer's participation in a high deductible health plan (HDHP). For 2022, these plans must have a deductible that's at least \$1,400 for individual coverage or \$2,800 for family coverage.

Unlike a flexible spending account (FSA), any funds remaining in an HSA automatically roll over, and they're the property of the employee. HSA participants can also make changes to their contributions to the account at anytime for any reason.

Employees in HSAs can't also participate in a regular FSA, but they can contribute to a limited FSA that only covers vision and dental expenses.

When looking at taxes, both employee and employer contributions to HSAs are excluded from a worker's gross income.

The combined total of these contributions is reported in Box 12 of Form W-2 with code W.

Due to COVID-19, employees have more flexibility in how they can use their HSA funds this year. Money can be spent on over-the-counter medications like ibuprofen and menstrual products (tampons, pads).

**More info:** [bit.ly/hsainfo626](https://bit.ly/hsainfo626)

## ACA: Here's what the U.S. Supreme Court just ruled

The Affordable Care Act (ACA), enacted in 2010, is here to stay for now. That's the upshot of a U.S. Supreme Court decision issued June 17, 2021. So you'll need to continue to send Forms 1095 to the IRS.

In *California v. Texas*, plaintiffs challenged the individual mandate.

They pointed out that 2017 ACA amendments set the penalty for failing to obtain minimum essential coverage at \$0. With the Sec. 5000A penalty effectively nullified, the minimum essential coverage provision of the ACA is unconstitutional, they argued.

But the High Court disagreed, ironically based on the \$0 penalty amount. Plaintiffs couldn't show they'd suffered a "pocketbook injury" and therefore couldn't proceed.

### Latest 1095 forms from IRS

Knowing that your ACA reporting responsibilities aren't going anywhere, you can get a jump on year-end 2021.

One idea: Check out the drafts of Form 1095-B and Form 1095-C, recently released by the IRS.

**More info:** [supremecourt.gov/opinions/20pdf/19-840\\_6jfm.pdf](https://supremecourt.gov/opinions/20pdf/19-840_6jfm.pdf)

## NEWS YOU CAN USE

### ■ ACCEPTABLE DOCUMENT FOR FORM I-9? YES, SAYS USCIS

To clear up some confusion on certain acceptable documents for Form I-9, U.S. Citizenship and Immigration Services (USCIS) issued a reminder on June 14, 2021.

An employee may give you one of two types of Form I-797, *Notice of Action*, with an expired permanent resident card. According to USCIS, Form I-797 may be accompanied by a receipt notice for either:

- Form I-90, *Application to Replace Permanent Resident Card (Green Card)*, or
- Form I-751, *Petition to Remove Conditions on Residence*.

**More info:** [bit.ly/documents626](https://bit.ly/documents626)

### ■ LATEST PROPOSED RULE ON PAYING TIPPED EMPLOYEES

A proposed Dept. of Labor (DOL) rule would bring changes – yet again – for employers taking the tip credit to meet minimum wage requirements under federal law.

Under the rule, employers would need to more strictly limit how much non-tipped work a tipped employee could do or else pay the full \$7.25 minimum wage.

The DOL's longstanding 80/20 guidance would be back in effect if the rule is finalized. We'll keep you posted.

**More info:** [govinfo.gov/content/pkg/FR-2021-06-23/pdf/2021-13262.pdf](https://govinfo.gov/content/pkg/FR-2021-06-23/pdf/2021-13262.pdf)

### ■ REVERSED: \$102 MILLION WAGE STATEMENT CASE

Walmart will not need to pay \$102 million to employees who claimed violations of the California Labor Code, the Ninth Circuit Court of Appeals recently said, reversing a lower court's decision.

The class-action lawsuit involved claims of inaccurate wage statements and missed meal breaks.

**More info:** [bit.ly/labor626](https://bit.ly/labor626)

## TEST YOUR KNOWLEDGE

### ■ Nacha formatting standard helps identify payroll fraud

Unfortunately, direct deposit fraud is common, with criminals gaining access to employees' payroll credentials to steal their paychecks.

Using Nacha's Payroll Credit formatting standard with your ACH files can stop theft in its tracks. Test yourself on the formatting requirements by answering *True* or *False* to the following:

1. Start by entering DIRECT DEPOSIT in the Company Entry Description field of the payroll file.
2. Only the employee's first and last name should be entered in the Individual Name field.
3. Any employee names longer than 15 characters should be truncated when entered into the file.
4. Nacha creates Individual Identification Numbers for each employee, and these numbers must be used with every ACH direct deposit transaction.

## ANSWERS

### Answers to the quiz:

1. *False.* According to Nacha, you must enter PAYROLL in this field. *True.* The person's first name should be entered, then a space, and finally the last name with no punctuation included.
3. *False.* When a worker's first and last name exceed 22 characters combined, the last name should be truncated.
4. *False.* Individual identification numbers are created by the employer, not Nacha, but must be formatted correctly. All first-time entries, which include the first payroll credit for an employee or a new identification number for an employee, must begin with NEW in positions 40-42. This doesn't have to be included with subsequent entries.

More info: [bit.ly/format626](http://bit.ly/format626)

## 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.*

### Multiple OT violations costs employer \$140K

**Employer:** Revolutionary Home Health Inc., Olyphant, PA.

**Business:** Home healthcare agency.

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

**Type of violation:** Nurses weren't paid overtime when they worked more than 40 hours in a workweek. In addition, they weren't paid for work they did outside of patient visits, including completing reports, getting supplies at the employer's headquarters or attending meetings. Bonuses weren't included when the employer calculated workers' regular rate of pay, resulting in additional overtime violations.

**Penalty:** Revolutionary Home Health must pay \$132,000 in back wages and liquidated damages to 98 nurses, along with an additional \$8,000 in civil penalties.

**Government office:** Dept. of Labor, Wage and Hour Division, Wilkes-Barre, PA, office.

### Farm laborers forced to spend too much on meals

**Employer:** Pride Harvesting LLC, Lehigh Acres, FL.

**Business:** Farm labor employer.

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

**Type of violation:** Workers weren't provided with meals or kitchen facilities, so they had to spend more on meals each day than the amount promised by the employer.

**Penalty:** Pride Harvesting paid \$21,748 in back wages to 81 employees. Additionally, it

paid a \$1,412 civil penalty.

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

### Employer told workers to falsify hours on timecards

**Employer:** Sierra Air Conditioning and Heating, Las Vegas.

**Business:** Air conditioning and heating.

**Law broken:** Minimum wage, overtime and recordkeeping provisions of the Fair Labor Standards Act.

**Type of violation:** The employer required certain workers to only record eight hours of work a day on their timecards, regardless of how much they actually worked. Plus, piece-rate workers weren't paid overtime correctly.

**Penalty:** Thirteen employees received \$53,654 in back wages. In addition, the employer had to pay \$5,395 in civil penalties.

**Government office:** Dept. of Labor, Wage and Hour Division, Las Vegas District Office.

### Contracted drivers weren't given right benefits, wages

**Employer:** Community Pastor Care LLC, dba CPC Medical Transportation, Columbia, SC.

**Business:** Transportation for veterans to medical appointments.

**Law broken:** McNamara-O'Hara Service Contract Act.

**Type of violation:** Employees weren't given the required prevailing wages and benefits for work they did under a federal contract.

**Penalty:** The contractor paid \$158,068 in back wages to 66 workers.

**Government office:** Dept. of Labor, Wage and Hour Division, Nashville, TN, 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 Errors happen: How we made sure they didn't upset employees

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As much as we tried to avoid them, mistakes sometimes happened with workers' checks, especially when dealing with wage garnishments and other unusual deductions or payments.

The worst thing would be dealing with angry employees after they discovered the error. It would be hard to calm down an upset person who was wondering why their pay wasn't the amount they expected.

We didn't want any errors to

impact employees' trust in Payroll, and we also wanted to keep people's emotions from getting out of hand once they discovered an issue.

### Being honest and direct

So I made it a point to start being proactive about any mistakes I discovered in Payroll before workers received their checks. If any issues happened, I went to the worker immediately, took the blame, apologized and let the person know

what I was doing to fix the mistake.

Employees really appreciated that I was being up front and direct. In almost every case, they were understanding about it. Being honest right away reduced the stress about correcting errors, which made it easier.

*(Adapted from "Managing Multiple Garnishments and Determining Priority," presented at the American Payroll Association's Virtual Congress Xstream)*

## 2 'Global Day of Rest' helps employees disconnect

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Our teams developed some bad work habits at home during the pandemic – and they're probably not the kind you're thinking.

They'd work through lunchtime, plan and attend too many meetings and jam-pack their days by taking on more.

### Share what you've done

While working at home has its benefits, it became harder for employees to disconnect from their jobs. Many people worked more hours

than they would've at the office, which we knew could cause problems. We could see some getting overwhelmed and burned out – even if they didn't see it or denied it.

It was time for leadership to step in and encourage employees to step back.

We called for one Global Day of Rest per quarter. On this day, no employees were allowed to log in or otherwise work.

Instead, we encouraged them to go out, do something they love and show or tell us about it on our

internal social channels.

It's been a great success. Employees love sharing their fun day, and we know they're getting a much-deserved break from work.

*(Ann Powell, executive VP & HR officer, Bristol Myers Squibb, spoke at The Conference Board's Organizational Impact on Social Change Issues online conference)*

**REAL  
PROBLEMS  
REAL  
SOLUTIONS**

## 3 My system to keep attendance data accurate for audit season

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Making sure employee attendance data is accurately entered into our payroll system is important for several reasons.

Besides ensuring that our people are getting compensated correctly, having the different types of time-off balances – from vacation to bereavement leave to COVID-19 quarantine – loaded in the system right matters.

Everything needs to be precise because the accounting firm we work with performs an annual audit.

Plus, there are state- and county-run retirement systems that run periodic quick audits.

### Two sets of eyes

To save myself some hassle when audit time comes around, I stay mindful that these audits are coming while entering in time and attendance data. If a discrepancy is found, such as an unpaid day off that maybe should've been a paid day off, we'd have to provide an explanation.

So I recruit someone in the office – usually from accounting – to regularly review this data and ask questions before final payroll approval. That catches just about every error before it becomes a problem.

That way we can make corrections quickly and stay in compliance, which is the best way for our firm to pass its audits with flying colors.

*(Heidi Alibozek, payroll manager, Berkshire Hills Regional School District, Stockbridge, MA)*

## Impact of earlier filing deadline for Forms W-2: More potential changes

■ COMMITTEE PUSHES IRS TO UPDATE DUE DATES FOR ADDITIONAL FORMS

Over the years, Payroll has quickly adjusted to an earlier deadline for filing Forms W-2, and the IRS may decide to change the deadline for submitting other forms as a result.

In a recent report, the Electronic Tax Administration Advisory Committee (ETAAC) discussed how well Payroll's done with adapting to the new filing deadline.

### Reduced identity theft, errors

The deadline to submit Forms W-2 first changed in 2015 after Congress passed the PATH Act, making the forms due on Jan. 31 of each year instead of on March 31.

For the most part, employers met the new deadline immediately. In tax year 2016, nearly 85% of all W-2s were filed by the new deadline. By tax year 2019, on-time filings had increased to almost 90%.

Making the deadline for Forms W-2 earlier had several positive effects, the ETAAC report said. For one, it

decreased the likelihood of taxpayer identity theft. The earlier tax returns are filed, the harder it is for fraudsters to file them on a taxpayer's behalf.

Earlier filing deadlines also make it easier to correct any errors on returns. Once the IRS receives W-2s from employers, it can match the info reported to what's listed on employees' tax returns. That means it can correct any discrepancies right away.

Because of the success the IRS has had in streamlining tax season due to changing the deadline for Forms W-2, ETAAC has recommended that the agency continue this trend with several other tax forms, including Forms 1099-R for distributions from pensions and retirement plans, and 1099-K for merchant card and third-party payments.

Right now, the deadline for these forms is still March 31 of each year, and that leaves plenty of time for identity theft to occur and errors to go unchecked.

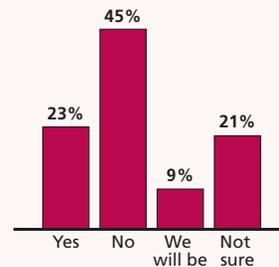
In fact, Form 1099-R fraud is currently one of the top schemes on the IRS' radar. The agency's Identity Theft Tax Refund Fraud Information

## WHAT PAYROLL PROS TOLD US

### Employer tax credits

Has your organization had to file a Form 941-X to claim any COVID-19 related tax credits?

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



Source: Poll, 2021 American Payroll Association Virtual Congress Xstream

If you're claiming tax credits for a previous quarter, filing Form 941-X is the way to go. Complete Form 7200 if you're requesting an advance on a COVID-19 tax credit.

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

Sharing and Analysis Center issued multiple alerts about the potential for Form 1099-R fraud in 2020.

If the agency agrees to change the deadlines for these forms, other forms could be affected as well.

We'll keep you posted.

More info: [irs.gov/pub/irs-pdf/p3415.pdf](https://irs.gov/pub/irs-pdf/p3415.pdf)

## SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

The employer won the case, and the decision was upheld on appeal. Because of the terms of the company's volunteer program, the time employees spent volunteering with nonprofits wasn't considered time worked under the Fair Labor Standards Act, so it didn't have to be included in any overtime pay calculations.

The employees argued that they were paid for the time they spent volunteering and the program was managed by their employer, so any volunteer hours should be considered work.

However, lawyers for the employer argued that no one was forced to participate in the program. Employees also had the flexibility to choose the nonprofit they wished to assist. Plus, the primary beneficiaries of the program were the nonprofits, who controlled what workers did.

For these reasons, the court ruled in the employer's favor. There was no evidence that workers were pressured

to participate in the volunteer program or that it was a required term of their employment. In addition, for the volunteer hours to be considered work, the employer needed to be the primary beneficiary, and it wasn't.

### Analysis: Volunteering and time worked

Many employers encourage employees to give back to their communities by volunteering and offer workers incentives such as rewards or paid time off to volunteer.

According to the Dept. of Labor, volunteer hours don't have to be counted as time worked as long as:

1. volunteering is optional
2. not participating won't have any adverse effect on employees' working conditions, and
3. employees aren't guaranteed any benefit (e.g., a bonus) for volunteering.

Cite: *McPhee v. Lowes Home Centers LLC*, No. 20-2135, CA4, 6/3/21.

Note: Dramatized for effect.

## Industry news you can use

### ■ DOL: Grocers in multiple states committing labor law violations

After finding a number of violations, the Dept. of Labor (DOL) is reminding **grocery stores** in the southeastern U.S. of their obligations under wage and hour law.

During a two-year period from 2019 to 2021, the DOL investigated 325 grocery stores throughout Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

In all, the agency recovered more than \$670,000 in back wages for almost 2,000 workers. These grocers also paid over \$150,000 in penalties – mostly for child labor violations.

**More info:** [dol.gov/newsroom/releases/whd/whd20210622-0](https://dol.gov/newsroom/releases/whd/whd20210622-0)

### ■ Latest info for small businesses to claim IRS' ARPA tax credits

The IRS has released new FAQs for **small businesses** with fewer than 500 employees about claiming tax credits established by the American

Rescue Plan Act (ARPA) for providing workers with paid leave from April 1, 2021, through Sept. 30, 2021.

Employers can use the FAQs to determine if they're eligible for the credits, as well as how to calculate the credits and how they interact with other tax credits.

**More info:** [bit.ly/irscredits626](https://bit.ly/irscredits626)

### ■ Registration will be required for IN third-party payroll providers

Effective Jan. 1, 2022, all **payroll service providers** in Indiana must register with the state department of revenue via its online portal, INTIME.

This is thanks to SB 234. The bill defines a "payroll service provider" as any third-party vendor that's authorized to prepare and file returns, withdraw and hold funds, remit payment and perform other duties related to tax withholding on behalf of a business client (employer). The rule is designed to establish liability in case taxes aren't paid.

**More info:** [bit.ly/inpsp626](https://bit.ly/inpsp626)

## 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 redact Social Security numbers in Excel?

**Q:** I regularly share Payroll spreadsheets within our department that contain employees' Social Security numbers. Is there any way that we can easily redact that data in Excel just in case these files happen to fall into the wrong hands somehow?

**A:** One excellent way to redact data in Excel is to apply the CONCATENATE formula to a particular range of cells. This is a text function that joins two or

more text strings into one string of text, and it can be used to replace text you want to redact. The characters you're using to replace the digits (e.g., asterisks) should be entered in parentheses with quotes around them, with the cells you want the formula to apply to written afterward. Using asterisks, the formula would be = CONCATENATE ("\*\*\*\_\*\_\*\_\*"), with the cell or cell range it should apply to appearing after the comma.

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

Send questions to [jweiss@HRMorning.com](mailto: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.

- Form 8946, *PTIN Supplemental Application For Foreign Persons Without a Social Security Number*. Revised June 2021. Posted 6/11/21 by IRS.
- Publication 1281, *Backup Withholding for Missing and Incorrect Name/TINs*. Revised May 2021. Posted 6/14/21 by IRS.
- Publication 7334, *Employee Benefit Plans, Explanation No. 11, Employee and Matching Contributions*. Revised June 2021. Posted 6/15/21 by IRS.
- Publication 6393, *Employee Benefit Plans, Explanation No. 5 Safe Harbor Nondiscrimination Requirements Defined Contribution Plans*. Revised June 2021. Posted 6/16/21 by IRS.
- Publication 5528, *Nonqualified Deferred Compensation Audit Techniques Guide*. Revised June 2021. Posted 6/17/21 by IRS.
- Publication 5534, *2021 Advance Child Tax*. Revised June 2021. Posted 6/17/21 by IRS.
- Publication 5296, *Comprehensive Taxpayer Attitude (CTAS) 2020 Executive Report*. Revised April 2021. Posted 6/22/21 by IRS.

**More info:** Find links by going to [keepuptodateonpayroll.com/forms-and-publications-626](https://keepuptodateonpayroll.com/forms-and-publications-626)

### 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!*

**CALIFORNIA**

- **PAID SICK LEAVE:** According to a new ordinance, employers in Marin County with 25 or fewer employees must provide workers with supplemental paid sick leave for COVID-19. Full-time employees normally scheduled to work 40 hours a week must receive up to 80 hours of supplemental paid sick leave to care for themselves or a family member affected by the coronavirus. The ordinance is in effect through Sept. 30, 2021. **More info:** [bit.ly/ordinance626](http://bit.ly/ordinance626)

**COLORADO**

- **VACATION PAY:** The state supreme court has reversed an appeals court's decision that an employee's earned vacation time wasn't vested under the company's policy, so she wasn't owed vacation pay upon separation. In *Nieto v. Clark's Market Inc.*, the supreme court said that any policy allowing workers to forfeit earned vacation benefits isn't compliant with the Colorado Wage Claim Act. Employers that choose to offer workers vacation time must pay out any earned and unused time upon termination, no exceptions. **More info:** [bit.ly/covacation626](http://bit.ly/covacation626)

**CONNECTICUT**

- **WAGES:** Public Act 21-30, effective Oct. 1, 2021, will require employers to provide both job seekers and current employees with salary ranges for positions. Employees must receive a wage range when they're hired, when their position changes or when they ask their employer for this info. So it's smart to start preparing now. **More info:** [bit.ly/ctwagerange626](http://bit.ly/ctwagerange626)

**INDIANA**

- **REPORTING:** Any employer with five or more workers under age 18 must now use the new Youth Employment System to track and report personnel info about minor employees, since schools will no longer give them work permits. The system went live on July 1, 2021. Failure to report can result in penalties. **More info:** [in.gov/dol/youthemployment.htm](http://in.gov/dol/youthemployment.htm)

**NEVADA**

- **GARNISHMENTS:** Effective Oct. 1, 2021, AB 37 updates the rules for wage garnishments related to child support orders. Employers must inform the issuing authority (e.g., child support agency) of any lump-sum payments of \$150 or more an employee is scheduled to receive, including bonuses, commissions, severance payments or any other one-time incentive payments, at least 10 days before they're released. The employer will then receive written notice of the amount they must withhold from the payment and send to the issuing authority. **More info:** [bit.ly/nvgarnish626](http://bit.ly/nvgarnish626)

**VIRGINIA**

- **MINIMUM WAGE:** As of May 1, 2021, the minimum wage has increased to \$9.50 an hour, according to HB 395. On Jan. 1, 2022, the state minimum wage will rise again to \$11 per hour. Looking further ahead, the bill will gradually increase the minimum wage over the next several years until it reaches \$15 an hour in 2026. **More info:** [bit.ly/vaminwage626](http://bit.ly/vaminwage626)

**WASHINGTON**

- **TAXES:** JumpStart Seattle, the city's new payroll tax, has been upheld by a superior court judge. The chamber of commerce challenged the tax as unconstitutional, but the court said it was a valid tax for

employers choosing to do business in Seattle. Under JumpStart Seattle, large employers must pay taxes based on their total payroll and the amount paid to employees who earn more than \$150,000 annually. **More info:** [bit.ly/seattletax626](http://bit.ly/seattletax626)

**WEST VIRGINIA**

- **WAGE DEDUCTIONS:** Thanks to HB 2009, effective June 17, 2021, employers can no longer deduct union dues from the pay of certain employees in West Virginia, including county and state employees, and teachers and school district employees. Public employees are also covered by the law, except for any municipal employees subject to a collective bargaining agreement as of July 1, 2021. **More info:** [bit.ly/wvunion626](http://bit.ly/wvunion626)

**THE LIGHTER SIDE**

If you can calculate deductions for taxes and garnishments with the best of them, but struggle to spell certain words correctly sometimes, you aren't alone.

AT&T Experts, an authorized online retailer for AT&T, reviewed a year's worth of Google Trends data to find out the most common words that people searched for to find the correct spelling online.

Not surprising in the current climate, the most common word users searched for after typing "how to spell" was "quarantine," which was the top Google search in 12 different states. "Coronavirus" was the top search in six states.

Other tricky words included "favorite," "definitely" and "believe."

Thank goodness for spell check! (Too bad there's no "tax law check!")

**Cite:** [bit.ly/spell626](http://bit.ly/spell626)