

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™

September 1, 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.

■ INFORMATION RETURNS TRANSMITTED TO IRS

Item: Form 1096, *Annual Summary and Transmittal of U.S. Information Returns.*

Background: The form is used to transmit information returns including Forms 1099, 1098, 5498 and W-2G. A separate form is used for each type of return sent to the IRS.

Comments due: 9/24/21.

Cite: *Federal Register*, 7/26/21.

■ NET OPERATING LOSS TO BE CARRIED FORWARD

Item: Form 461, *Limitation on Business Losses.*

Background: The form allows businesses to calculate the limitation on business losses and to determine the excess business losses that will be treated as net operating loss carried forward to subsequent taxable years.

Comments due: 9/24/21.

Cite: *Federal Register*, 7/26/21.

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

Updated IWO form required soon: Top changes for Payroll

■ States must use new form by Sept. 30

New child support orders will look a little different this fall. That's because state and tribal agencies will be required to use the revised Income Withholding for Support (IWO) form.

The IWO was revised last year, but the use of the new form has been optional so far. That'll change on Sept. 30, 2021, when all orders must be issued on the form.

Overview of updates

Most of the changes on the new IWO form were designed to make withholding info clearer for Payroll.

The effective date on the form has been updated from a calendar entry to a text entry. This was done to emphasize that the IWO is effective

on the date the form was received, the date of mailing or the date of service to the employer.

In addition, the Office of Child Support Enforcement (OCSE) added a text box to the Remittance Information section of the IWO about payments in interstate cases. Here, info will be found about where the payment should be sent.

Wording on the form that provided employers with additional info about child support payments was simplified, and some of it was moved to the Remittance Information portion of the form for further clarity.

OCSE is also trying to encourage

(Please see IWO ... on Page 2)

IRS: Payroll must beware of latest email scams

Scammers are still trying to use the pandemic to trick Payroll pros into sending them confidential data via email, the IRS warns.

And criminals are getting more sophisticated, posing as trusted sources in an attempt to get you to reveal personal info.

Watch for these schemes

The latest scams involve emails that appear to come from colleagues, banks, credit card companies, tax software providers – or even the IRS.

Messages have an urgent tone, often telling a story designed to

make you want to help the person. Criminals will even exchange multiple emails with their targets to gain trust.

Then, once they've convinced you to download an attachment infected with malicious software, they can access the info saved on your computer, including data they can use to file fraudulent tax returns.

To prevent this situation, be sure to confirm any requests made through email in person or on the phone before clicking any attachments, and work with IT to make sure your computer has updated antivirus software.

More info: bit.ly/irsscams629

1 mistake with wage and hour regs landed company in more hot water

■ ISSUES WITH LAST PAYCHECK CAUSED MORE SCRUTINY FOR EMPLOYER

When an employer violates one labor law, this could make all of its wage and hour practices fall under additional scrutiny.

That's why it's important to make sure your entire Payroll process is in compliance with any applicable regs.

One employer managed to beat additional charges following a mistake made when paying employees that landed it under the microscope.

Only 1 violation ... or 2?

In *Zepeda Labor Contracting Inc. v. Dept. of Industrial Relations*, a farm labor employer with seasonal workers didn't give them their last paycheck immediately, as required by state law. Instead, it waited until the next scheduled payday to do so.

While this violated state prompt

payment laws, the state's division of labor standards enforcement also claimed this went against state minimum wage law. Reason: Because the employees didn't receive their final paychecks on time, they weren't paid the minimum wage during their final week of employment.

However, an appeals court rejected this reasoning. It said that, although the paychecks were late, they were cut by the next regular payday, and employees did receive the appropriate minimum wage. That's all the law required here.

If the employer hadn't made the first error, it wouldn't have had to deal with the expense to defend itself against another charge. Lesson learned.

Cite: *Zepeda Labor Contracting Inc. v. Dept. of Industrial Relations*, D078062, CA4, Division 1, CA, 8/12/21.

IWO ...

(continued from Page 1)

more employers to sign up to use its Child Support Portal. The portal makes it easier for Payroll to send and receive info relating to child support payments. It also aids with reporting any pending lump-sum payments to employees and reporting terminations.

To help promote use of the portal, OCSE added a link to the Child Support Portal in the Lump Sum Payments section of the IWO. There's also another link to the portal included in the Notification of Employment Termination or Income Status.

Plus, the portal can be used to update your company's contact info with OCSE. And multistate employers can use it to designate the state they've chosen for new-hire reporting.

Upcoming enhancements will make the portal even better for employers, including the ability for two-way communication between Payroll and child support agencies. This should also be up and running by fall 2021.

More info: bit.ly/newiwo629

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.

■ PAY DEDUCTIONS FOR POLICY: CAN EX-SPOUSE COLLECT?

"So, let me get this straight," Payroll Manager Pat Gray said to HR Manager Cheryl Jones, "Amy Gross thinks she can collect on a life insurance policy she took out on her ex-husband?"

"That's absolutely correct," Cheryl replied. "And she's claiming it's because we were deducting the payment for the insurance coverage from her check."

Needed to double-check

"All I did was make the requested deductions from her pay," Pat said. "Our benefits rep always sends documents to people saying they need to double-check whether their designated family members are actually eligible for coverage."

"Well, she's claiming those deductions shouldn't have been made if the coverage wasn't legit," Cheryl said.

"I'm not so sure about that," Pat replied. "Did Benefits even know she was divorced at the time? I know you told me when I had to update her withholding from 'married' to 'single.'"

"I received paperwork from Amy about it, but I'm not sure if she sent it over to Benefits, too," Cheryl said.

The employee eventually sued her employer and the administrator of its life insurance plan. She claimed she should've been able to collect when her ex-husband died because she was paying for his coverage. However, the company and the plan said he wasn't eligible for it in the first place. Who won?

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

From:  **KEEP UP TO DATE** ON **PAYROLL**

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IRS revises Form 941-X to report new tax credits: What you need to know

■ LATEST REVISION CONTAINS MANY NEW LINES FOR COVID CHANGES

If you'll need to file an amended Form 941-X to claim any new tax credits or correct a quarterly tax return, here's a heads-up: The IRS has released a new draft version of the form.

Here's a preview of the most important changes you'll see once the agency finalizes the new form.

Line-by-line updates

In the draft form, lines 9 and 10 will be used to report any qualified sick leave wages and qualified family leave wages, respectively, paid after March 31, 2020, for leave taken before April 1, 2021.

You'll now use line 17 to report the nonrefundable portion of the credit for qualified sick and family leave wages for any leave employees took before April 1, 2021.

Also, line 18 has been broken up into four parts:

- 18a, nonrefundable portion of the employee retention credit
- 18b, nonrefundable portion of the credit for qualified sick and family leave wages for leave taken

after March 31, 2021

- 18c, nonrefundable portion of the COBRA premium assistance credit, and
- 18d, number of individuals who were provided COBRA premium assistance.

To report the refundable portion of the credit for any qualified sick and family leave wages taken before April 1, 2021, use line 25.

Line 26 now has three parts. Use line 26a to report the nonrefundable portion of the employee retention credit. Line 26b will be used for the refundable portion of the credit for qualified sick and family leave wages for leave taken after March 31, 2021. Report the refundable portion of the COBRA premium assistance credit on line 26c.

Lines 28 and 29 will be used to report qualified health plan expenses that can be allocated to qualified sick leave wages and qualified family leave wages for leave employees took before April 1, 2021. Lines 35-40 are only applicable to quarters beginning after March 31, 2021, and deal with qualified leave taken after that date.

More info: [irs.gov/pub/irs-dft/f941x-dft.pdf](https://www.irs.gov/pub/irs-dft/f941x-dft.pdf)

2022 projected taxable wage base? Deadline missed

If you're wondering what the projected Social Security taxable wage base for 2022 will be, you're not alone. The Board of Trustees missed its deadline to release that info.

The Board of Trustees report containing the estimated wage base and other key Payroll info is due no later than April 1 of each year. But April 2021 came and went, and employers remained empty-handed.

Although the report is sometimes late – for example, in 2020 it wasn't issued until April 22 – this is an unusual delay. In fact, two members

of the U.S. Senate Finance Committee sent a letter in early August to the Secretary of the Treasury, who's the managing trustee, calling the info "long overdue."

A jump from the current \$142,800

Here's what we know: The 2020 report said you could expect a taxable wage base of \$147,000 in 2022.

We'll let you know if that number holds up. If so, that'd be a \$4,200 jump from the current \$142,800.

More info: ssa.gov/OACT/COLA/wageindexed.html

NEWS YOU CAN USE

■ W-2, BOX 14: WHICH FFCRA LEAVE WAGES TO INCLUDE

Will you need to include the total qualified sick and family leave wages for both 2020 and 2021 in Box 14 of the 2021 W-2? No, thanks to efforts by the National Payroll Reporting Consortium (NPRC).

IRS FAQs, updated Jan. 28, 2021, stated employers would have to account for both tax years to comply with the Families First Coronavirus Response Act (FFCRA).

However, the IRS updated Question 54b again on March 17, 2021, after the NPRC submitted comments to the IRS, pointing out that reporting on two tax years would require changes to payroll systems, among other problems.

More info: bit.ly/reporting629

■ IRS HEADS-UP: EIN CHANGES REPORTED ELECTRONICALLY

IRS has plans in the works for the electronic submission of Form 8822B, *Change of Address or Responsible Party – Business*. That's according to IRS' Theresa Rossi-Franzke, who spoke during the August Payroll Industry Call.

The IRS also reminded employers the 8822B must be filed within 60 days of certain business changes to ensure accuracy with employer identification numbers (EINs).

More info: bit.ly/EIN629

■ IRS CHECKLIST HELPS YOU AVOID FORM 7200 SNAGS

The IRS has provided a checklist for employers to use before sending in Form 7200, *Advance Payment of Employer Credits Due to COVID-19*. That way, your form won't hit snags when the IRS tries to process it.

Among the items to watch:

- Check only one box for applicable calendar quarter.
- In Part II, Line 6, you can't have a negative number.

More info: bit.ly/checklist629

TEST YOUR KNOWLEDGE

■ Payroll & third parties: Impact on employer tax liability

Employers may have various arrangements with third parties to handle certain aspects of Payroll. And these arrangements often impact a company's tax liability.

Are you aware of the impact of third-party arrangements on your company? Answer *True* or *False* to the following to test yourself:

1. Both Certified Professional Employer Organizations (CPEOs) and Payroll Service Providers (PSPs) can file certain employment tax returns.
2. CPEOs, PSPs and reporting agents (RAs) are all able to make both deposits and payments for a company's employment taxes.
3. If an employer works with an IRC Sec. 3504 agent, the agent can file the employer's Form 940 (FUTA tax return).
4. PSPs and RAs have employment tax liability instead of employers.

ANSWERS

Answers to the quiz:

1. *True*. While PSPs can prepare separate returns for each client they work with using the client's employer identification number (EIN), a CPEO files one aggregate return for all its customers and clients with the CPEO's EIN.
2. *True*. Each entity is permitted to do so, either with the employer's EIN (PSPs and RAs) or the entity's own EIN (CPEOs).
3. *False*. CPEOs, PSPs and RAs are allowed to file Form 940, but IRC Sec. 3504 agents can't, though limited exceptions apply.
4. *False*. Any employers that work with PSPs and RAs remain liable for their employment taxes. Those that work with IRC Sec. 3504 agents are jointly liable, and CPEOs are fully liable.

More info: bit.ly/lirsarrange629

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.

Workers weren't paid for regular pre-shift 'briefings'

Employer: Central Mexico Community College, Albuquerque, NM.

Business: Community college.

Law broken: Recordkeeping and overtime provisions of the Fair Labor Standards Act.

Type of violation: Security guards were required to arrive 15 minutes before their shifts for briefings. However, they were never paid for this time, and the college didn't keep track of it, either.

Penalty: Central Mexico Community College paid \$70,707 in back wages to 71 employees.

Government office: Dept. of Labor, Wage and Hour Division, Albuquerque, NM, office.

H-2A temp workers not paid, housed properly

Employer: Jose Gracia Harvesting Inc., Four Oaks, NC.

Business: Farm labor contractor.

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

Type of violation: The employer, which hired temporary workers to harvest melons in Delaware, didn't provide the workers with kitchen facilities or meals as required. Workers also didn't receive the correct wages, and their lodging facilities were overcrowded. In addition, temporary workers did jobs that the employer didn't list in its application for the H-2A visa.

Penalty: The contractor had to pay \$13,996 in back wages to 47 workers, and it was also ordered

to pay an additional civil penalty of \$6,861.

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

Grocery store duties violated child labor laws

Employer: On the Vine Marketplace, Scarborough, ME.

Business: Specialty grocery store.

Law broken: Child labor provisions of the Fair Labor Standards Act.

Type of violation: Three employees under the age of 18 were allowed to clean power meat mixers and grinders in violation of the law. Also, three minors at the store's two locations were working hours that violated the law's restrictions for youth under the age of 16.

Penalty: The store had to pay \$27,274 in civil penalties due to repeated violations of child labor laws.

Government office: Dept. of Labor, Wage and Hour Division, Manchester, NH, office.

'Tacobout' shortchanged: Tipped workers lost out

Employer: Fiesta Grande Mexican Grill Inc., Mount Dora, FL.

Business: Restaurant.

Law broken: Minimum wage provisions of the Fair Labor Standards Act.

Type of violation: The restaurant included cooks in its tip pool while taking a tip credit for its tipped employees, which is against the law since nontipped workers can't participate in the pool.

Penalty: In all, 45 workers received \$58,074 in back wages.

Government office: Dept. of Labor, Wage and Hour Division, Orlando, FL, 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 Improved communication with workers about garnishments

In theory, employees should be aware of any pending garnishments by the time the paperwork gets to Payroll.

But often, that didn't happen in practice. We'd receive a garnishment order and follow that as directed. It usually wasn't too long before we'd get an angry phone call or visit from the employee, demanding to know why their pay was so low.

It's understandable that someone would be upset over what they

thought was missing pay. However, it was tough to talk with them about the issue while they were so emotional. So we decided to take a more proactive approach to garnishments.

Providing important info

Now, whenever we receive a notice for a garnishment, the first thing we do is email the employee. In the message, we let the person know that Payroll has received a garnishment order for their wages. We also state

how much will be deducted from their pay and when the garnishment will begin. And we let them know that they should reach out to the attorney on the case if they have any concerns. Because we give them the info they need up front, they're calmer and more open to communicating.

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

2 Try this strategy instead of an 'open-door' policy

Many Payroll managers often say this to their employees and colleagues: "My door is always open."

The open-door policy suggests they're open to answering questions or chatting with employees at any time. And I've found it's not an effective policy at all!

In fact, it's quite the opposite. Who has the time for interruptions throughout the day, especially when one question turns into a laundry list of them? And the "got a minute" interruptions never come at a good

time. What's more, some employees abuse the open-door policy, never learning to solve issues themselves.

Better approach

On a manager's part, it's generally a passive, ineffective way of communicating with others.

I don't recommend completely closing the door to colleagues and employees, but I did find more appropriate approaches.

For instance, I like to host weekly one-on-one meetings and daily

stand-up group meetings to stay ahead of issues. They help everyone – not just me – manage time better.

When I couple those with "office hours" – when employees know they can just come in – I do a better job of helping workers. This has been more effective than an "open door."

(Kevin Kruse, author, founder & CEO, LEADx, Philadelphia)

**REAL
PROBLEMS
REAL
SOLUTIONS**

3 Made sure employees were comfortable returning to work

The pandemic forced many of our people to work remotely. And when the time was right to start drafting a return-to-work plan, we needed to carefully consider the safety and comfort of our employees.

If there wasn't enough buy-in on returning to work, it could have a negative impact on morale and productivity.

So we sent a companywide email of the draft version of our policies and asked for employee input.

Every few months, we asked our people in a survey to rate on a scale of 1-10 how comfortable they were with the return-to-work plan.

Time to move

We knew it was time to make a move toward reopening when 94% responded with an eight or higher.

Another important question we asked: "How comfortable would you be if we stopped doing morning temp checks?" It got nines and

10s from 94%. We also got some good suggestions when we asked if there's anything we should be doing to make the workplace safer. When we reopened, we made sure to post plenty of signage around the building to remind everyone of the organization's COVID-19 safety rules. So far, we haven't sent anyone home because of COVID-19 symptoms, and there have been no complaints.

(Barbara Irving, HR director, Moose International Inc., Mooseheart, IL)

New BLS survey shows how COVID-19 changed the way Americans work

■ WORK-AT-HOME RATES NEARLY DOUBLED IN 2020 FOR EMPLOYEES

As you can imagine, just as the COVID-19 pandemic impacted many Payroll processes, it also changed how employees work.

The latest American Time Use Survey from the Bureau of Labor Statistics (BLS) shows exactly how workers have spent their time over the past two years.

Balancing and juggling act

Due to the pandemic, the number of people who telecommuted rose dramatically: 42% of employed people worked at home on days they worked in 2020, compared with 22% in 2019.

Hours worked at home also increased from 3.6 hours in 2019 to 5.8 hours in 2020. This included hours employees put in on unscheduled workdays, which may have created hassles for Payroll pros.

When looking at particular industries, the largest increase of employees who began working at home because of COVID-19

occurred in finance (40% increase), professional and business services (25% increase), and education and health services (23% increase).

Many employees at home had to juggle their work duties with watching their children and helping them complete virtual school.

American adults in households with at least one child under the age of 13 performed an average of 6.1 hours per day of “secondary childcare” in 2020, which is what the BLS calls having at least one child in their care while doing primary activities other than childcare (e.g., working).

And on days they helped children with educational activities, adults spent 2.2 hours doing so in 2020, compared with an hour in 2019.

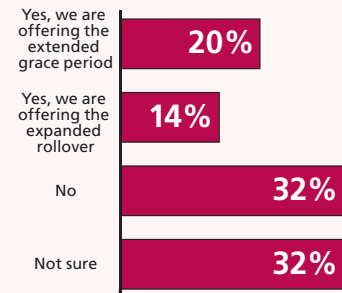
Fewer employees commuting to work and taking children to school or daycare combined with travel restrictions caused by local lockdowns reduced people’s daily travel time.

In fact, the average travel time each day decreased from 1.2 hours per day in 2019 to just 47 minutes per day in 2020. And only 67% of people

WHAT PAYROLL PROS TOLD US

COVID-19 relief for FSAs

Has your organization opted to offer the temporary FSA flexibility?
Note: Percentages don't equal 100% due to rounding.



Source: Poll, 2021 American Payroll Association Virtual Congress Xstream

If your employer has implemented recent changes to flexible spending arrangements (FSAs), make sure employees are aware of how this impacts their available funds.

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

traveled in a given day – down from 84% in 2019.

Time will tell if these changes to the way Americans work will become permanent. If they do, Payroll may have to rethink common practices for timekeeping, onboarding and more.

More info: bls.gov/news.release/atus.nr0.htm

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

The employer and the administrator of the plan won, and the court dismissed the employee’s case against them.

Because the employee received paperwork saying she needed to review the family members on the life insurance policy to check if they were still eligible for coverage, the court said the burden here was on the employee to make sure she could sign them up for the plan. Since she didn’t, that meant she couldn’t collect from the policy after her ex-husband died.

Although the employee said she had money deducted from her paycheck to cover the cost of the policy, it didn’t matter. As the court said, “by withdrawing funds for spouse supplemental life insurance, the [company] was not representing” that the employee’s ex-husband still qualified for coverage under the terms of the plan.

The administrator of the plan had proof that it sent multiple communications about the plan to the employee,

including the fact that only current spouses were eligible for coverage. Plus, the employee hadn’t informed the plan of her divorce. So the court said the worker had no case.

Analysis: Accurate pay deductions

While not every mistake involving deductions is Payroll’s fault, you can still play an active role in ensuring they’re avoided and resolved. It’s important to work closely with HR and keep the lines of communication open so you’re aware of any changes that may impact pay deductions, such as a marriage, a divorce or the birth of a child.

Remind employees and their managers that it’s key to get this info to both Payroll and HR right away. Also, let them know that it’s important to review the terms of any employee benefit plans so they can see how these changes will affect them directly. And it’s crucial for them to check their own pay to make sure all deductions are correct.

Cite: *Staropoli v. Metropolitan Life Insurance Co. et al.*, No. 19-2850, U.S. D.C., E.D. Pennsylvania, 7/13/21.
 Note: Dramatized for effect.

Industry news you can use

■ IRS reversing millions in tax credits after TIGTA audit findings

Government entities that claimed COVID-19 employer tax credits may be hearing from the IRS soon.

A recent audit by the Treasury Inspector General for Tax Administration (TIGTA) found that 113 government entities weren't eligible for \$2 million of tax credits they claimed on Form 941 for tax year 2020. When TIGTA brought this issue to the IRS' attention, the agency investigated and started reversing the tax credits at the end of 2020.

Now, the IRS has identified an additional 420 government entities that received tax credits in error, totaling \$7.2 million. And it's working to reverse those as well.

More info: bit.ly/audit629

■ New law creates paid quarantine leave for TX firefighters

In Texas, firefighters must receive paid quarantine leave if they're exposed to a communicable illness

while on duty. This is due to HB 2073, effective June 16, 2021.

Quarantine leave must be provided separately from other types of paid leave. And all employment benefits, such as leave accrual and insurance benefits, must remain active while the employee is on leave. HB 2073 also applies to detention officers and emergency medical technicians.

More info: bit.ly/txfire629

■ Housekeeping employees in CA hotels will get premium pay

New legislation effective Jan. 1, 2022, will require employers to offer premium pay to West Hollywood, CA, hotel employees in housekeeping.

In hotels with fewer than 40 rooms, if an employee must clean more than 4,000 square feet of space in an eight-hour workday, the person must get two times the regular rate of pay for each hour worked that day. For hotels with 40 or more rooms, the rule applies to 3,500 square feet.

More info: bit.ly/wehotel629

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:

What can we do to create better looking charts in Excel?

Q: We've been using bar charts we made in Excel in some of our Payroll reports to the top brass. But we want them to stand out more. How can we make these charts more visually interesting?

A: The default bar charts you can make in Excel (which can be easily added by clicking Insert, then selecting Recommended Charts) aren't the most visually appealing. To really make them stand out, you can place less

white space in between each bar by going into the "Format data series" menu and changing the series overlap and gap width settings. You can also change the default color of the bars to something like your company's colors by clicking on the chart and selecting the Chart Styles menu, then Color to choose a different color scheme. And if you use the Inside End setting when creating your chart, that will place the data points inside each bar instead of on top, so viewers can more easily interpret the numbers. Note: Using a descriptive chart title helps, too.

More info: bit.ly/excelchart629

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, instructions and other publications contains Payroll-related updates.

- Publication 4436, *General Rules and Specifications for Substitute Form 941, Schedule B (Form 941), Schedule D (Form 941), Schedule R (Form 941), and Form 8974*. Revised June 2021. Posted 6/28/21.
- Publication 4810, *Specifications for Electronic Filing of Forms 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits*. Revised October 2020. Posted 6/28/21.
- Publication 1179, *General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns*. Revised June 2021. Posted 6/29/21.
- Publication 16, *Corporation Income Tax Returns Complete Report 2018*. Revised July 2021. Posted 6/30/21.
- Publication 4530, *Designated Roth Accounts under a 401(k), 403(b) or Governmental 457(b) Plan*. Revised July 2021. Posted 7/23/21.
- Publication 5084, *IRS Congressional Update Newsletter*. Revised August 2021. Posted 8/12/21.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-629

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!

CONNECTICUT

- **DATA REPORTING:** Starting in 2024, large employers will have to submit a data report with various types of demographic info about employees, including their race, age, gender identity, education level, hours/days worked and salary. Smaller employers will have to submit these reports beginning in 2026. **More info:** bit.ly/ctdatareport629

FLORIDA

- **MINIMUM WAGE:** Effective Sept. 30, 2021, the minimum wage will increase to \$10 per hour, up from \$8.65. This is due to Amendment 2, which voters passed in November 2020. The tipped minimum wage will also increase to \$6.98 per hour (from \$5.63). **More info:** floridajobs.org

IDAHO

- **WITHHOLDING:** The state tax commission has released new withholding tables for both the wage bracket and the percentage methods of withholding. They're effective for any wages paid on or after Jan. 1, 2021. **More info:** tax.idaho.gov

ILLINOIS

- **PAID SICK LEAVE:** As of Aug. 1, 2021, Chicago's Minimum Wage and Paid Sick Leave Ordinance has been updated to allow workers to use paid leave for several new reasons. Qualifying employees can now use paid sick leave if ill, injured or receiving professional care for mental, medical or behavioral issues; if

a family member is ill, injured, ordered to quarantine or receiving professional care; if the employee or a family member is a victim of domestic violence; if the employee's workplace is closed due to a public health emergency or a family member's class, school or place of care is closed; or if the employee is obeying a quarantine order.

More info: bit.ly/chisick629

MAINE

- **DIRECT DEPOSIT:** SB 367 prevents employers from charging workers fees for using direct deposit. Effective June 29, 2021, the law covers any transaction where wages are electronically deposited into an employee's account with an accredited financial institution that the employee designates for the deposit. **More info:** bit.ly/medeposit629

MINNESOTA

- **MINIMUM WAGE:** Effective July 1, 2021, the minimum wage in Minneapolis has increased. Large employers must pay workers at least \$14.25 per hour, up from \$13.25. The new rate for small employers (those with 100 or fewer employees) is \$12.50 per hour, up from \$11.75. **More info:** minimumwage.minneapolismn.gov

NEVADA

- **EMPLOYMENT LAW:** SB 386 requires any employers that furlough or lay off employees to offer any new positions to those employees first if certain conditions apply. Employers must also provide workers with written notices of any layoff at the time it occurs, and they need to keep certain employment records related to any laid-off employees for at least two years. The law is effective from July 1, 2021, until the governor terminates the COVID-19 state of emergency or July 1, 2023, whichever comes

first. **More info:** bit.ly/mvlayoff629

NEW YORK

- **WITHHOLDING:** Form IT-2104, *Employee's Withholding Allowance Certificate*, has been revised as of June 2021. These changes reflect new rates for highly compensated employees (who earn more than \$1 million), who may need to fill out a new form. **More info:** tax.ny.gov/pdf/current_forms/it/it2104_fill_in.pdf

OHIO

- **NEXUS:** Per HB 110, effective through Dec. 31, 2021, any employee who performs personal services at his or her home or at another location that isn't the person's primary place of work will be treated as performing services at the employee's primary place of work for income tax purposes. **More info:** bit.ly/ohnexus629

THE LIGHTER SIDE

One of the benefits of most Payroll and tax-related processes going digital is that there's less need to interpret handwritten documents.

When it's tough to decipher someone's handwriting, it can lead to hassles – even for criminals.

In England, a man attempted to rob a bank by giving an employee a handwritten note asking for money.

However, the worker couldn't figure out what the note said because the crook's handwriting was too difficult to read. So the would-be robber left empty-handed.

Another attempt was successful. After a third attempt where the thief didn't get any cash, police tracked him down and arrested him. He's currently in jail for his crimes. Maybe he can learn better penmanship in the penitentiary!

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