

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™

October 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.

■ IRS MADE A MISTAKE? THIS FORM NEEDED FOR REFUND

Item: Form 8849, *Claim for Refund of Excise Taxes*.

Background: In the event of errors by the IRS, this form can be used to seek an excise tax refund.

Comments due: 11/1/21.

Cite: *Federal Register*, 9/2/21.

■ CONTRIBUTIONS AFTER ROLLOVER DEADLINE

Item: Revenue Procedure 2020-46, *Waiver of 60-Day Rollover Requirement*.

Background: A plan administrator or IRA trustee may accept a contribution after receiving a waiver for the 60-day rollover requirement. The revenue procedure's list of permissible reasons for missing the 60-day deadline includes that a distribution had been made to a state unclaimed property fund.

Comments due: 10/12/21.

Cite: *Federal Register*, 9/9/21.

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

Box 14 of Form W-2: What IRS says to include for TY 2021

■ Reporting paid leave taken under two laws

The IRS has given Payroll a heads up on information to be included in box 14 of the 2021 Form W-2.

In Notice 2021-53, the Service said certain wages must be reported in box 14 or in a separate statement included with Form W-2.

Which wages? Qualified paid sick and family leave provided for reasons related to COVID-19 under two laws:

- Families First Coronavirus Response Act (FFCRA), as amended – this extended the availability of tax credits beyond 2020 (through Q1 of 2021), and
- American Rescue Plan Act (ARPA), – this not only further extended the availability of tax credits (through Q2 and Q3 of 2021), but also

expanded the reasons employees could take paid leave (e.g., to receive a COVID-19 vaccine).

Model language you can use

The info in box 14 is for the sake of employees who may be self-employed as well. Under the FFCRA and the ARPA, they can claim tax credits for themselves, but only after taking into account any qualified leave wages reported in box 14 of the W-2.

That explains why sick and family leave wages *don't* have to be reported in box 14 if an employer forgoes claiming the tax credits.

You can use model language IRS

(Please see Form W-2 ... on Page 2)

2022 SS taxable wage base projected to increase

You can expect to withhold more Social Security tax in 2022. The details on next year's projected taxable wage base are contained in a long-overdue report from the feds.

The estimated 2022 number is \$146,700. That's up from the current taxable wage base of \$142,800.

That'd be a \$3,900 increase, based on data in *The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance*. The report is due annually in April, but this year's wasn't released until Aug. 31.

At the 6.2% rate, the maximum

employees and employers would each need to fork over in Social Security tax next year would be \$9,095.40.

Planning ahead

The report's projections go beyond 2022. Here are the details:

- \$156,000 in 2023
- \$162,900 in 2024
- \$168,600 in 2025, and
- \$174,300 in 2026.

The final 2022 number is due out in October. We'll be watching for that.

More info: ssa.gov/OACT/TR/2021/tr2021.pdf

Supervisor overrode hourly rates in payroll system, audit showed

■ TERMINATION MEANT HE WAS OUT \$88K IN SEVERANCE BENEFITS

After you enter pay rates into the payroll system, you might not think about them again as you're getting ready to process payroll. But a recent federal circuit court case shows the value of spot checking.

In *Hawthorn v. Georgia-Pacific Brewton*, a supervisor manually overrode five employees' new lower pay rates and approved higher rates.

A payroll audit revealed he did that dozens of times during one month. He consequently lost his job. The company's assessment? He knowingly approved wrong pay. The employee's take? He made an honest mistake.

The employee sued, claiming Employee Retirement Income Security Act (ERISA) violations – after all, he lost his eligibility for \$88,000 in severance benefits. The company was in the process of restructuring, and if

his termination had been part of that, he would have received a severance package. However, he was terminated sooner due to unacceptable conduct.

Last day of work

The Eleventh Circuit Court of Appeals affirmed a lower court's ruling that Georgia-Pacific hadn't violated ERISA. The plan administrator had correctly applied the severance plan's definition of "termination date."

Action step: If someone's employment is being terminated – for whatever reason – take into account the definition of "termination date" in your benefits plans.

More info: bit.ly/erisa631

Form W-2 ...

(continued from Page 1)

has provided for box 14 or your separate statement. Six options are:

- Sick leave wages subject to the \$511 per day limit paid for leave taken after Dec. 31, 2020, and before April 1, 2021, because of care you required.
- Sick leave wages subject to the \$200 per day limit paid for leave taken after Dec. 31, 2020, and before April 1, 2021, because of care you provided to another.
- Emergency family leave wages paid for leave taken after Dec. 31, 2020, and before April 1, 2021.
- Sick leave wages subject to the \$511 per day limit paid for leave taken after March 31, 2021, and before Oct. 1, 2021, because of care you required.
- Sick leave wages subject to the \$200 per day limit paid for leave taken after March 31, 2021, and before Oct. 1, 2021, because of care you provided to another.
- Emergency family leave wages paid for leave taken after March 31, 2021, and before Oct. 1, 2021.

More info: irs.gov/pub/irs-drop/n-21-53.pdf

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.

■ EXECUTIVE EXEMPTION: WHAT DID SALARY REVEAL?

"How was your stay, Ms. Gray?" The woman sitting behind the front desk of the luxury hotel was smiling at Payroll Manager Pat Gray.

"Wonderful!" said Pat. "My family gave me a night away as a gift. They knew how demanding my job as a payroll manager was last year."

"Oh, I'm a manager, too," the woman said. "I'm in charge of the housekeeping department here. I'm just filling in at the front desk."

"Then you understand ... Andrea," said Pat, reading her name badge. "No wonder you have that big cup of coffee next to you – sounds like they keep you busy."

Comparing earnings

"I wouldn't mind being busy if they gave me OT," confided Andrea. "When they brought me on here at \$45K per year, I thought that was pretty good, and I've gotten a few raises. But when I compare my salary to what some of the housekeepers make, I'm not sure what to think."

"What do you mean?" asked Pat.

"Some housekeepers earn only about \$12.50 an hour. But others make \$18. And they get tips, too." Andrea stopped suddenly. "I'm sorry, I didn't mean to get into all this."

"No, no, I asked," assured Pat with a smile. "It's your turn for a vacation next."

The employee eventually sued for overtime, saying she was incorrectly classified as executive exempt. The company asked the court to throw out the case. Did the court do that?

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



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IRS: Deadline nears to withhold and pay deferred Social Security tax

- FIRST INSTALLMENT DUE AT END OF 2021 – SECOND, AT END OF 2022

During its September Payroll Industry Call, the IRS gave an update on the deferred Social Security tax that'll soon be due.

As a starting point for Payroll, employee and employer portions of tax deferred in 2020 should be combined, the IRS explained.

The Service also went into detail on the “when” and “how” of payments.

The ‘when’ of payments

You may be withholding and paying the tax incrementally. But the clock is ticking on the hard deadline, and holidays and weekends will come into play:

- Payment for half the combined amount will be due by the end of 2021. Because New Year’s Day 2022 will fall on a Saturday and will be observed on Friday, Dec. 31, 2021, the IRS will consider the payment timely if it’s made by Jan. 3, 2022.
- Payment for the other half of the deferred tax will be due by the end of 2022. Once again, the deadline will be moved around. Reason:

Dec. 31, 2022, will occur on a Saturday. New Year’s Day 2023 will land on a Sunday and will be observed on Monday, Jan. 2, 2023. So the actual due date for a timely payment? Jan. 3, 2023.

Some employers received an IRS letter that was a reminder of tax liability in May 2021.

Be on the lookout for more correspondence in October or November of 2021. The Service plans to send out reminder notices, showing the employee and employer portions as a total amount due.

The ‘how’ of payments

Although employers have options, the Electronic Fund Transfer Payment System (EFTPS) is the payment method preferred by IRS.

If you use EFTPS, don’t get tripped up by the subcategories of the deposits (Social Security tax, Medicare tax). They’re for informational purposes, according to the IRS.

As for codes, there’s a special code related to payments of deferred tax. Note: Batch filers, there’s no code for you, so you’d continue to use the code for payment due on an IRS notice.

More info: bit.ly/deferred631

Backlogged! Your employment tax returns unprocessed

Were your employment tax returns among the millions of unprocessed forms identified in a recent audit of the IRS?

Topping the list of unprocessed business tax returns? Form 941 and other forms in the 94x series – with 5,497,383 paper returns on hold as of Dec. 31, 2020. Compare that to 167,906 one year prior.

Making progress

What’s the impact of backlogged returns? If you are awaiting a refund or you’ve claimed business tax credits,

a time lag hurts financially. Some companies have even received balance due notices in error. Those included penalties for failure to pay and failure to file. The IRS has been playing catch up to abate penalties or issue refunds.

The situation should continue to improve. The audit report, *Effects of the COVID-19 Pandemic on Business Tax Return Processing Operations*, included a recommendation saying IRS should ensure incorrectly assessed estimated tax penalties are corrected.

Agreed, said the IRS.

More info: bit.ly/audit631

NEWS YOU CAN USE

■ DECREASING FOR 2022: ACA AFFORDABILITY PERCENTAGE

Updated numbers from IRS for 2022 may bring unexpected changes to the amount you’ll be deducting from employees’ pay for health insurance premiums next year.

For the first time since the Affordable Care Act (ACA) became law, the affordability percentage will decrease.

It’ll be 9.61% of an employee’s household income, down from the current 9.83%, the IRS announced.

Let’s say an employer uses the affordability safe harbor based on the federal poverty line in the continental U.S. An employee that could contribute up to \$104.53 per month for minimum essential coverage in 2021 could contribute only \$103.15 per month for coverage in 2022.

More info: bit.ly/newaca631

■ HIGH-LOW SUBSTANTIATION METHOD – ANNUAL CHANGES

No sooner did the General Services Administration release its FY 2022 per diem rates than the IRS issued its rates.

Effective Oct. 1, 2021, for the high-low substantiation method, the rate for travel to a high-cost locality (i.e., the high number) will be \$296 per day, with \$74 being for meals. The rate for travel elsewhere (i.e., the low number) will be \$202 per day, with \$64 being for meals.

More info: bit.ly/highlow631

■ EMPLOYERS IN SOME STATES MAY SEE HIGHER UI RATES

The Families First Coronavirus Response Act provided states with a temporary waiver of interest owed on unemployment insurance (UI) loans. But that ended Sept. 6, 2021.

If your state continues to carry an outstanding loan balance, higher UI rates for you may be coming.

More info: bit.ly/ui631

TEST YOUR KNOWLEDGE

■ New EEO-1 Component 1 report deadline: Latest info

In response to the coronavirus pandemic, the Equal Employment Opportunity Commission (EEOC) has extended the deadline for the EEO-1 report until Oct. 25, 2021.

No additional extensions will be granted, the EEOC says. So it's crucial that you're aware of how the submission process works. Test yourself by answering *True* or *False* to the following:

1. Employers have the option of submitting their reports either through an online form or via data file upload.
2. EEO-1 Component 1 reports still must be filed for both 2019 and 2020.
3. Companies with acquisitions, spinoffs or mergers must contact the Filer Support Team help desk to report the changes.
4. The Filer Support Team will address all requests within 24 hours.

ANSWERS

Answers to the quiz:

1. *True*. Both options are available at the EEOC's EEO-1 report website, EEOdata.org/eo1, after a user account is created. *True*. The EEOC will only allow employers to file their 2020 reports after it's reviewed and approved the info that's been submitted on the 2019 report, so it's key to include that time in your planning process.
 3. *False*. Now companies can report these changes directly through the online filing system, then proceed to submit their reports. *False*. While the support team is working to answer inquiries ASAP, there may be delays due to a large number of requests. To improve response time, be sure to submit each request only once.
- More info: bit.ly/eo1report631

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.

Wage and Hour Division,
New Orleans District Office.

Liquor store used wrong OT rates to pay workers

Employer: Nu Age Horizon LLC, Athens, GA.

Business: Operator of tobacco and liquor stores.

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

Type of violation: Instead of being paid properly for their overtime hours, the employer paid workers overtime at rates even lower than their regular straight-time pay. Employees' hours worked also weren't tracked correctly.

Penalty: Nu Age Horizon must pay \$71,467 in back wages to 56 employees at two stores.

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

H-2B violations lead to penalties for landscaper

Employer: Corporate Green LLC, East Baton Rouge, LA.

Business: Landscape and pest control company.

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

Type of violation: The employer didn't inform workers that it was deducting the costs of housing from their wages, and it also didn't pay for employees' meals when they were traveling.

Penalty: Corporate Green paid \$20,695 in back wages to 133 workers. It also owes an additional \$17,459 in penalties.

Government office: Dept. of Labor,

HVAC employer owed workers \$334K in wages

Employer: Del-Air Heating, Air Conditioning & Refrigeration Inc., Sanford, FL.

Business: Heating, ventilation and air conditioning (HVAC) contractor.

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

Type of violation: Bonuses weren't included in overtime rates, and employees often didn't receive overtime pay at all. The start and end of employees' days also weren't recorded accurately.

Penalty: The employer paid \$334,307 in back wages to 212 employees.

Government office: Dept. of Labor, Wage and Hour Division, Orlando, FL, office.

Subcontractor out \$531K for prevailing wage issues

Employer: HMW LLC, Clinton, MD.

Business: Ironworking.

Law broken: Davis Bacon and Related Acts (DBRA).

Type of violation: At a federally funded construction project, HMW, a subcontractor, failed to pay ironworkers the required prevailing wages and benefits. The employer also falsified payrolls and didn't keep proper records to hide the fact that it wasn't paying workers enough under the law.

Penalty: HMW paid \$531,173 in back wages to 45 employees, and it's banned for three years from bidding on DBRA contracts.

Government office: Dept. of Labor, Wage and Hour Division, Pittsburgh 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 A closer look has us saving 15% on bank fees

Our monthly banking fees had gone up steadily over the last few years. They seemed to have gotten awfully high.

So we went through each fee to make sure that we had all the right services in place.

Right off the bat, we noticed that we were still paying fees every month for something we didn't even need anymore – authorization for our old payroll company to make debits on

our account. We had switched payroll companies a few years back and canceling the authorization fee had slipped through the cracks.

That discovery had us suspecting there were likely more places we were overpaying.

Passing on paper

That's when we noticed just how much the monthly paper statement fees had gone up since we last took a

serious look. We had online access for our bank and rarely used the paper statements that came in the mail anymore, so that was something we certainly didn't need anymore.

By eliminating paper statements, we saved 60% on that bank fee alone.

Overall, a closer eye saved 15% on our monthly banking fees.

(Paul Caponigri, VP, finance and administration, Diversified CPC International, Channahon, IL)

2 Made sure remote workers were happy, productive

We found employees across industries and companies – including ours – struggled with work/life balance during the pandemic.

One study found 42% of employees are less satisfied with their lives. Much of that was because of work.

Many employees who work from home feel they spend extra time preparing for work, feel alone working remotely and spend less time with family and friends.

We wanted to help. And we felt one of the most effective ways was

through communication with their managers about their well-being.

What's troubling at work?

To help employees regain happiness in life, we encouraged their managers to find out what makes them unhappy at work.

So they:

- checked in with their direct reports who work remotely at least once a week
- asked employees about what was

their biggest work challenge, and

- tried to do something to curb or alleviate it.

This approach helped our employees achieve better balance between their work duties and their personal lives, and they appreciated the time managers took to help.

(Sara Sutton, founder and CEO of FlexJobs, Boulder, CO)

**REAL
PROBLEMS
REAL
SOLUTIONS**

3 Checklist helpful for completing tricky IRS form

One of my biggest responsibilities was annually completing and submitting IRS reports.

It's crucial for us to keep our tax-exempt status, so Form 990 has to be filed by the 15th of the fifth month after the end of our fiscal year.

Need 'yes' answers for questions

I discovered that the biggest key to filling out the form was to treat it like an IRS audit.

That means keeping records

organized and accurate so it's easy to find specific documentation when I need it.

Among the important items on my recordkeeping checklist:

- Are all paper and electronic records from the last three years complete and sorted by year and expense type?
- Do all expense documents show the amount paid and that it's for a business expense?

- Are fundraising and grant income recorded accurately?
- Has all income not directly related to the organization's tax-exempt purpose been recorded?
- Are employee and contractor compensation recorded accurately?

The checklist also has a reminder to double-check that our data retention schedules are up to date.

(Alan Barasorda, director of finance, Pasadena Senior Center, Pasadena, CA)

Team morale & COVID: Survey shows pandemic's impact on workplace

■ IMPORTANCE OF RELATIONSHIPS WITH CO-WORKERS, MANAGERS

As you can imagine, the changes that COVID-19 brought to the workplace impacted workers' morale.

Between an increase in telework and a higher reliance on technology, employees have had to adjust to interacting with their co-workers in different ways than before.

A new survey from Paychex shows just how the new pandemic normal continues to impact team morale for Finance pros and across the board.

Connections affected morale

Overall, workplace morale has decreased from pre-pandemic levels, according to the survey. More workers currently describe team morale as "somewhat low" (23%) than did before the pandemic (10%), and fewer employees describe it as "high" (nearly 12% now versus 22% before).

Relationships with co-workers also changed during the pandemic, in part likely due to changes in the way people interacted with each other.

But, on the bright side, more work relationships improved (36%) than got worse (20%) during the pandemic, per the survey.

Additionally, more managers (49%) than employees (18%) said their relationships with co-workers got better during COVID. Having managers who cared about keeping these bonds strong had a significant impact on workers' morale.

Employees who had higher morale and better connections with their team during the pandemic had leaders who gave them time during meetings to talk about current events (52%), discuss how they were doing outside of work (47%), acknowledge stress or work burnout (46%) and "vent" or talk about work frustrations (44%).

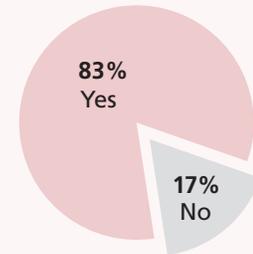
Morale was also high among teams who knew each other well (60%), employees who were allowed to have flexible schedules (70%) and workers who chatted with each other outside the office (45%).

In addition, these groups had higher productivity than employees who didn't know their co-workers well and didn't have flexible scheduling.

WHAT PAYROLL PROS TOLD US

More support for on-demand pay

Should you have access to your earned wages at the end of each workday/shift, before your traditional payday?



Source: Ceridian/Harris Poll survey, August 2021

On-demand pay continues to interest workers at all salary levels and jobs. While legal guidance is still murky on how to handle early wage access, it could be worth exploring.

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

Remote hours may be tough to track, but those who've been allowed to telework since the pandemic started report both higher levels of productivity (53%) and better morale (47%) than their counterparts in the office (41% and 32%, respectively). They also report slightly less stress.

More info: bit.ly/covidmorale631

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

No, the court didn't throw out the case. There were too many outstanding questions.

As for the salary requirement of the executive exemption, the employee met that. Her starting salary was \$45,000 annually, and she was paid \$1,730.76 biweekly. That equated to \$865.38 per week, well above the \$455 per week salary threshold in place that year.

When assessing whether management was her primary duty, her salary came back into the spotlight. According to Fair Labor Standards Act regs, one factor to consider when examining an employee's primary duty is "the relationship between the employee's salary and the wages paid to other employees for the kind of nonexempt work performed by the employee."

If there had been a large differential between the manager's salary and the wages of other employees in the housekeeping department, that would have been

an indicator that her management responsibilities were important to the hospitality employer.

The exempt employee's weekly salary (\$865.38, which increased to \$987.50 after she received several raises) was compared to the hourly rates of non-exempt employees in her department (some earning \$18). Problem was, that didn't provide the court with enough detail.

Analysis: Some questions to ask

As part of proving an executive employee is classified correctly, you can point to earnings differentials. But that might mean gathering some information. For example:

Do you know how many hours per week, including overtime hours, the exempt employee works so you can get an hourly rate and compare apples to apples? Do the hourly employees get paid tips or have other sources of income which would increase their earnings?

Cite: *Harris v. Wheatleigh Corp.*, Civil No. 3:18-cv-30114-KAR, U.S. D.C., D. Massachusetts, 8/27/21. Note: Dramatized for effect.

Industry news you can use

■ **Comp time in lieu of overtime pay for these Virginia workers**

A new law in Virginia allows **public agencies** to offer comp time for hours worked over 40 in a workweek instead of paying time-and-a-half to the employees.

HB 7001, effective Aug. 10, 2021, says that for purposes of the Virginia Overtime Wage Act, comp time in lieu of overtime is considered “wages” and “pay” for employees of state government agencies.

More info: bit.ly/comptime631

■ **Form required from employees claiming income tax exemption**

If you have any spouses of **military** personnel working at your company in New Jersey, they may be able to claim an exemption from state income tax. They'd file Form NJ-165, *Employee's Certificate of Nonresidence in New Jersey*, with you.

The New Jersey Treasury, Division of Taxation, recently updated one of its publications: *Military Personnel*

and Families Understanding Income Tax. Information about spouses of military personnel is included. They can choose their legal residence to be 1) their home state, 2) their military spouse's home state, or 3) the state where that spouse is stationed for military reasons. A spouse who lives in New Jersey but chooses to be a nonresident doesn't have to pay income tax.

More info: bit.ly/military631

■ **Ag employers, large or small, to pay minimum wage in 2022**

Colorado's Interpretive *Notice & Formal Opinion #12*, updated in the summer of 2021, explains the impact of SB 21-97 on **agricultural** employers.

For example, paid rest periods lasting 10 or 15 minutes must be provided, during which the employee must be completely relieved of duty. Coming in 2022: Even small Colorado agricultural employers will need to pay minimum wage.

More info: bit.ly/agriculture631

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 are some useful keyboard shortcuts for Microsoft Excel?

Q: We know some common shortcuts like using Ctrl + S to save a file, but are there any other useful Excel shortcuts we might not know about that'll help us use it more effectively?

A: Payroll pros can use many different Excel keyboard shortcuts to navigate through spreadsheets more quickly. To recalculate a workbook, press F9. Use Ctrl + ; to insert the current date into a cell. Ctrl + Space Bar will select a column,

while Shift + Space Bar will select a row. Insert a new row by pressing Alt + I + R. Alt + I + C will insert a new column. Insert a new worksheet by pressing Shift + F11. Press Alt + E + L + M to delete a worksheet, and press Alt + O + H + R to rename a worksheet. To select a cell range, press Shift + the Arrow keys. Pressing Ctrl + the Arrow keys will take you to the end of a contiguous range. Use Ctrl + Home to move directly to cell A1 of your spreadsheet. To show any relevant formulas or values, press Ctrl + ~.

More info: bit.ly/shortcuts631

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

These Payroll-related publications have been updated:

- Publication 4054, *National Taxpayer Advocate Objections Report to Congress*. Revised June 2021. Posted 8/31/21.
- Publication 5078, *Modernized e-File (MeF) Test Package*. Revised August 2021. Posted 8/31/21.
- Publication 510, *Excise Taxes*. Revised July 2021. Posted 9/1/21.
- Form 14039 (SP), *Identity Theft Affidavit (Spanish version)*. Revised July 2021. Posted 9/1/21.
- Form 14039, *Identity Theft Affidavit*. Revised September 2021. Posted 9/1/21.
- Publication 4163, *Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns*. Revised September 2021. Posted 9/2/21.
- Form 8716, *Election To Have a Tax Year Other Than a Required Tax Year*. Revised August 2021. Posted 9/3/21.
- Publication 5557, *A Guide to Starting a Small Business*. Revised September 2021. Posted 9/8/21.
- Publication 5507, *How to Set Up an IRS Online Account to Access Tax Information*. Revised August 2021. Posted 9/9/21.

More info: Find links by going to keepuptodateonpayroll.com/forms-and-publications-631

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!

GEORGIA

- **REMOTE WORK:** According to the state's Coronavirus Tax Relief FAQs, if an employee began working from home in Georgia during the coronavirus pandemic on a temporary basis, wages the employee earned while teleworking wouldn't be considered Georgia income. As a result, a business wouldn't be required to withhold Georgia income tax. **More info:** bit.ly/lga-631

MINNESOTA

- **SICK AND SAFE LEAVE:** Duluth has amended its Earned Sick and Safe Time (ESST) Ordinance. Now the ordinance states that employees can use ESST when their place of employment is closed for public health reasons. Employers must give each new hire an individual copy of their ESST policy, and the employee handbook must be updated with the policy as well. The city clerk may order enforcement measures – e.g., written notice to all employees of a violation and corrective action taken. **More info:** bit.ly/mn-631

MISSOURI

- **SAFE LEAVE:** The governor recently signed HB 432, a bill which requires employers to provide leave for employees who are victims of domestic or sexual violence. A business with 50 or more employees must grant two weeks of leave per year, and a business with between 20 and 49 employees must grant one week of leave per year. Employees must give notice and provide certification that the leave is necessary. A posting

of the new law must be provided to employees by Oct. 27, 2021, according to the Missouri Dept. of Labor. **More info:** bit.ly/mo-631

MONTANA

- **PROBATIONARY PERIOD:** The state amended its Wrongful Discharge from Employment Act. The default probationary period has been extended from six months to 12 months from the date of hire. Employers even have the option of extending the time to 18 months, but that must be done before the original probationary period expires. As in the past, employers can opt for a different length of time for evaluating new hires, but in that case, they'd need a written policy that states how long their probationary period is. **More info:** bit.ly/mt-631

NEVADA

- **TAXABLE WAGE BASE:** As of Jan. 1, 2022, the taxable wage base in Nevada will be \$36,600. Currently, it's \$33,400. **More info:** bit.ly/nv-631

NORTH CAROLINA

- **ELECTRONIC FILING:** The automatic waiver of the penalty for failure to file three forms electronically has expired. The three forms are NC-3, *Annual Withholding Reconciliation*, W-2 and 1099. The penalty is \$200 per return. If you don't think you'll be able to file electronically by the deadline on Jan. 31, 2022, you can submit Form NC-5501, *Request for Waiver of an Informational Return Penalty*. **More info:** bit.ly/nc-631

PENNSYLVANIA

- **REMOTE WORK:** The rules on teleworking went back to normal on July 1, 2021. Under temporary COVID-19 guidance, the state had said that if an employee was working from home due to

the pandemic, that wouldn't be a change in the sourcing of the employee's compensation. Now, if your business is located outside the state and you have an employee who lives in Pennsylvania and teleworks full-time, you should treat that person's compensation as Pennsylvania source income. That's according to guidance from the Dept. of Revenue. **More info:** bit.ly/pa-631

SOUTH CAROLINA

- **REMOTE WORK:** The Dept. of Revenue has once again extended its tax relief for employers that have employees temporarily working remotely as the result of COVID-19. The relief would have expired on Sept. 30, 2021, but in *SC Information Letter #21-8*, the relief was extended to Dec. 31, 2021. **More info:** bit.ly/southcarolina-631

THE LIGHTER SIDE

Not everyone is as conscientious about deadlines as Payroll pros.

Take the case of a woman in Scotland who returned a book to her library after missing the due date – by 14 years!

The patron didn't realize she'd been hanging on to the book, *The Amazing Maurice* by Terry Pratchett, until the library reminded her. She'd checked out the reading material in 2007, they told her.

When she brought the book back, she didn't even have to pay any fines, UPI reports. That's because overdue fees have been suspended at the library for now.

Good thing for her.

Now imagine if that were an overdue tax form. Just how much would the penalties be for missing a deadline by 14 years?

Cite: bit.ly/book631