

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™

**November 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.

### ■ NEED MORE TIME TO FILE RETURNS ELECTRONICALLY?

**Item:** Form 8508, *Request for Waiver From Filing Information Returns Electronically*.

**Background:** Some filers of information returns must report the returns on magnetic media. Filers can request a waiver for a specific time. IRS will notify the taxpayer regarding whether the request is approved or denied.

**Comments due:** 11/15/21.

**Cite:** *Federal Register*, 9/16/21.

### ■ TAX CREDIT FOR HIRING CERTAIN INDIVIDUALS

**Item:** Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Credit*.

**Background:** Employers can choose to send this form to a state employment security agency as part of claiming the work opportunity credit.

**Comments due:** 11/15/21.

**Cite:** *Federal Register*, 9/15/21.

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

## SSA reveals changes you'll see when submitting Forms W-2 this year-end

### ■ What's new with Business Services Online

Payroll pros who upload Forms W-2 to SSA this year-end will find that the process has an entirely new look and feel, SSA recently explained.

Speaking at the IRS October Payroll Industry Call, SSA's Matthew Newton laid out the changes.

SSA has been focused on IT modernization, including wage reporting features offered through Business Services Online (BSO).

Starting in December 2021, the new file upload utility will be available to all users. Currently, some users are participating on a trial basis.

Uploading W-2s and W-3s

will be more user-friendly and self-explanatory for tax year 2021, according to Newton.

Notably, SSA will be able to do a lot of file checking in real time. That'll give employers a chance to fix errors before uploading files, simplifying the process.

### Checking for accuracy early on

Even though the on-the-spot error checking will be in place, SSA continues to encourage Payroll to run formatted wage files through

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

## Here's the 2022 taxable wage base just released by SSA

It's official: The amount of an employee's earnings that'll be subject to Social Security tax during 2022 is jumping up.

Next year's number is \$147,000. That's \$4,200 higher than the current taxable wage base of \$142,800.

No change to the Social Security tax rate, says SSA: Once again, it'll be 6.2% for employees and employers.

So, if an employee earns \$147,000 or more next year, you'll withhold \$9,114. Likewise, employers will pay a max of \$9,114.

As for the Medicare portion of FICA, the rate will stay 1.45%. Employees

earning \$200,000 (\$250,000 if married filing jointly) will again pay the 0.9% Additional Medicare Tax.

### Numbers for those near retirement

Although the following amounts don't affect what's taxable, here's how much employees can earn before their retirement benefits are reduced:

- \$19,560 for employees reaching full retirement age after 2022, and
- \$51,960 for those reaching full retirement age in 2022, up until their birthday month. After that, there's no reduction in benefits.

**More info:** [bit.ly/taxable633](https://bit.ly/taxable633)

## Changes ...

(continued from Page 1)

AccuWage Online, Newton said.

Doing that should take some pressure off when you're up against the deadline for submitting W-2s.

With AccuWage Online, you can check your files to see if they're formatted according to SSA's specs. The free Internet application works for both:

- EFW2 files (i.e., Forms W-2), and
- EFW2C files (i.e., Forms W-2c).

The SSA website provides info on AccuWage Online, including the steps for accessing it. They are:

1. Log on to BSO.
2. Select the "Report Wages to Social Security" link.
3. Accept the attestation.
4. Once on the Electronic Wage Reporting home page, select the fourth tab (labeled AccuWage

Online) and then click the AccuWage Online link.

### More redesigns coming

Also during the October IRS Payroll Industry Call, SSA discussed plans for revamping its Forms W-2/W-3 Online.

That's the BSO application which allows employers to create, save, print and submit a limited number of W-2s.

The redesign won't be seen this year, Newton stated.

SSA aims to release the changes in the spring of 2022, a much lighter time than year-end.

By December 2022, though, everyone should see the modernized Forms W-2/W-3 Online.

### Requirements for electronic filing

The options available for submitting Forms W-2 through BSO should be utilized more, given that the Taxpayer First Act lowered the threshold for electronic filing.

Prompted by that law, IRS issued proposed regs in July 2021.

The regs indicated employers would need to file electronically if they had an aggregate of:

- 100 forms for TY 2021, and
- 10 forms for TY 2022.

The regs lowering the threshold haven't been finalized, and nothing's been set in stone, Newton remarked. But SSA isn't sitting on the sidelines, he added.

Indeed, the IRS hasn't officially altered the current requirement – i.e., that employers filing 250 or more W-2s must do so electronically.

What's more, the draft 2021 *General Instructions for Form W-2 and W-3* mention that "if" regs are issued and effective for tax year 2021 returns, the IRS will notify employers. We'll keep you updated on this.

**More info:** [www.ssa.gov/employer](http://www.ssa.gov/employer)

## 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.*

### ■ SNOW DAY, PERSONAL DAY OR WORKING FROM HOME?

"So you're saying Jim knew he should have marked Thursday as a personal day on his timesheet?" Payroll Manager Pat Gray asked Supervisor Damon Smith.

"Correct," said Damon.

"I wish Thursday had just been a snow day for us all," remarked Pat.

"I know, I'm still digging out," Damon responded. "But I made it in. You did. A lot of people did."

### Email communication

"So okay, you went back and forth with Jim in emails Thursday morning, and he mentioned not being able to make it in because of the unplowed areas," Pat said.

"But here's where the situation gets confusing," she added. "Why did he tell you that, if you wanted, he could get a doctor's note for you?"

"Because I said something like 'unless you have a medical issue or family issue or feel unsafe coming in, take a personal day.' See, he has that foot condition he's been taking all that time off to go to PT for," Damon explained.

Pat paused. "He didn't contact HR about starting FMLA leave, right?"

"No, but that 'bad weather' email the company sent out told people to contact their *managers* with any problems," Damon said. "Anyway, I say change his timesheet from remote work day to personal day."

Later, the employee was fired for performance issues. He sued, claiming FMLA interference. The company fought back. Did it win?

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



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## Revised W-4P and new W-4R needed for accurate income tax withholding

■ SEPARATE FORMS FOR ‘PERIODIC’ AND ‘NONPERIODIC’ PAYMENTS

Form W-4P is slated to be split into two forms for TY 2022, allowing for more accurate federal income tax withholding, according to IRS.

During its October Payroll Industry Call, IRS announced plans to release the final versions of the overhauled W-4P and the brand-new W-4R in December 2021.

With only drafts in employers’ hands so far, that’ll make year-end prep tough, acknowledged IRS, adding that it’s working on a resolution. No word yet on details.

IRS gave employers a heads-up for TY 2022 by releasing drafts of the forms, dated March 12, 2021:

- Form W-4P, *Withholding Certificate for Periodic Pension or Annuity Payments*, and
- Form W-4R, *Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions*.

The W-4P will help ensure payers withhold income tax correctly from periodic pension, annuity, profit-sharing and stock bonus plans as well as from IRA payments. So what’s a “periodic” payment? One made yearly, quarterly

or monthly, for example. Meanwhile, Form W-4R is for “nonperiodic” payments (default rate of 10%) and eligible rollover distributions (default rate of 20%).

If you think the revamped W-4P looks a lot like the W-4 as redesigned in 2020, you’re right. In fact, the draft 2022 Form W-4P walks you through almost identical steps to the current Form W-4:

1. Enter Personal Information
2. Income From a Job or Multiple Pensions/Annuities (Including a Spouse’s Job or Pension/Annuity)
3. Claim Dependent and Other Credits
4. Other Adjustments (optional)
5. Sign Here

### Update on Form W-4, too

Also during the Payroll Industry Call, IRS gave an update on the 2022 Form W-4, *Employee’s Withholding Certificate*. No big changes coming. It should be out at the end of the year.

Before then, you can look for an early release of the inflation-adjusted tax rate tables for income tax withholding, IRS said.

**More info:** [www.irs.gov/forms-pubs/about-form-w-4](http://www.irs.gov/forms-pubs/about-form-w-4)

## IRS: 3 steps to take when designating tax payments

Employers can designate how they want federal employment tax payments to be applied, the IRS confirmed recently.

In Chief Counsel Advice 202129007, the IRS explained the three steps involved in that:

1. Be specific.
2. Put the request in writing.
3. Make the designation at the time of the payment.

A taxpayer might want a payment to apply to withheld income and FICA taxes, for example.

Note: Designation isn’t permitted in the case of enforced collection measures, only with voluntary payments, the IRS said.

### Here’s how the IRS does it

When it’s up to the IRS, there’s a set order that’s followed for applying partial payments. The order is:

- non-trust-fund taxes (employer portion of FICA tax)
- trust-fund taxes (withheld income and FICA taxes), and
- fees, penalties and interest.

**More info:** [bit.ly/payments633](http://bit.ly/payments633)

## NEWS YOU CAN USE

■ CHILD SUPPORT ORDERS: NEW RECORD LAYOUTS

Employers interested in sending Electronic Income Withholding Orders (e-IWOs) in batch should know the federal Office of Child Support Enforcement has made changes to the record layouts.

Version 4.0 of the *e-IWO Record Layouts* contains more than a dozen changes, including info related to the:

- application of the Consumer Credit Protection Act limit to disposable income, and
- start date of a withholding order.

**More info:** [bit.ly/childsupport633](http://bit.ly/childsupport633)

■ FORM I-9 RULES STILL APPLY IF NATURAL DISASTER HITS

Even in the midst of a natural disaster, you need to follow the Form I-9 procedures, U.S. Citizenship and Immigration Services noted in a recent fact sheet.

If within the first three days of employment a new hire is unable to produce a document because it’s been lost, stolen or damaged, the employee may present a receipt.

Within 90 days of the hire date, that employee must give you either a replacement document or another acceptable document for Form I-9.

**More info:** [bit.ly/disaster633](http://bit.ly/disaster633)

■ YEAR-END COMMUNICATION? MARK ENVELOPES THIS WAY

At year-end, you have some crucial reasons to communicate with employees. For example, you may need to locate former employees to prevent them from becoming missing retirement plan participants.

If you reach out through mail, consider marking envelopes and correspondence with the original plan or sponsor name. That can be enough to keep participants who left before a plan or sponsor name change from simply throwing mail in the trash.

**More info:** [bit.ly/communicate633](http://bit.ly/communicate633)

## TEST YOUR KNOWLEDGE

### ■ Video etiquette protocols for online work meetings

Video meetings via Zoom, Slack or Microsoft Teams continue to be popular as the pandemic continues.

With that in mind, it's wise to brush up on the latest etiquette rules for video conferences so virtual meetings go as smoothly as possible, whether it's an all-hands meeting or a check-in with colleagues.

Test yourself on the best practices for online meetings by answering *True* or *False* to the following:

1. You should dress the same way for a virtual meeting that you would for an in-person meeting.
2. It's fine to speak at the same pace you would in person during a video conference.
3. Keep online meetings strictly business without discussing any personal topics.
4. The attendee list for a virtual meeting should be kept as small as possible.

## ANSWERS

### Answers to the quiz:

1. *True*. Although many work at home in comfy clothes, it's best to wear the same type of clothes to a virtual work meeting that you'd wear to an in-person meeting, from top to bottom.
2. *False*. Because lag can happen over home Wi-Fi, it's essential to enunciate and speak slowly in video meetings. It's also helpful to pause for a second after you think someone else has finished speaking.
3. *False*. Online meetings feel more natural when managers set aside time to discuss how everyone's doing and feeling.
4. *True*. Large virtual meetings can be overwhelming for participants. Limit the invites only to those who need to be there.

More info: [bit.ly/videoe633](http://bit.ly/videoe633)

## 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.*

#### **\$235K owed after paying workers wrong currency**

**Employer:** Premar Global Warehouse Logistics, San Diego.

**Business:** Customs warehouse company.

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

**Type of violation:** Premar Logistics hired several Mexican nationals and paid them below the minimum wage, between \$3.38 and \$5.61 per hour. They also didn't receive any overtime pay.

**Penalty:** The employer must pay \$230,000 in back wages to 16 workers and an additional \$5,000 in penalties.

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

#### **Incorrect prevailing wage given to various laborers**

**Employer:** Sawyer Services, Chesterfield, MI.

**Business:** Electrical subcontractor.

**Laws broken:** Davis-Bacon and Related Acts, Contract Work Hours and Safety Standards Act (CWHSSA).

**Type of violation:** Apprentices, electricians and laborers were incorrectly paid lower prevailing wage rates than they should've received for the work they did. The employer also failed to follow the minimum wage and recordkeeping provisions of the CWHSSA.

**Penalty:** Eight workers received \$94,000 in back wages.

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

#### **Teen worked hours that weren't allowed by law**

**Employer:** Liberty Autoworld Inc., dba AutoWorld of Conway, Conway, SC.

**Business:** Auto dealership.

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

**Type of violation:** A 14-year-old youth was allowed to operate power machinery while helping with repairs. The youth also worked while school was in session. In addition, employees of all ages didn't receive the proper overtime pay.

**Penalty:** AutoWorld of Conway paid \$16,459 in back wages to 15 workers and an additional \$3,426 for the child labor violations.

**Government office:** Dept. of Labor, Wage and Hour Division, Columbia, SC, office.

#### **Employer ran out of gas when paying employees**

**Employer:** Lahaina Petroleum, LLC, Kailua, HI.

**Business:** Gas and service station.

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

**Type of violation:** Service technicians weren't paid overtime, and cashiers didn't receive pay for work they did before their shifts officially began.

**Penalty:** Five cashiers and service technicians received \$22,851 in back wages. The gas station owes an additional \$4,150 in penalties.

**Government office:** Dept. of Labor, Wage and Hour Division, Honolulu 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 With pay period switch, we made key decision about deductions

We were looking to switch from a semimonthly to a biweekly payroll.

For starters, by opting to pay people biweekly, we'd have more consistency with our payroll responsibilities. The days of the week for running payroll wouldn't jump around as with the semimonthly method.

Plus, the biweekly method would mesh with our workweek better, which in turn would make overtime calculations more straightforward.

Regardless of the benefits to us, we wanted the switch to be beneficial to employees, too.

### The plus side for them

First, we told employees that – with the move from semimonthly to biweekly – although each check would be smaller, they'd get two extra checks per year (26 paydays instead of 24).

Next, we sweetened the pot for employees with a key decision: We'd

make benefits deductions only 24 times per year. As a result, those two extra paychecks would be bigger than their other paychecks throughout the year.

Deciding to divide health and dental insurance premiums by 24 instead of 26 helped us get employees on board with our pay period switch.

*(Nancy Hartleben, payroll administrator, City of Thornton, Thornton, CO)*

## 2 It's fall – time to start planning for next year

In the fall, I start planning for the upcoming year.

No need to start from scratch every year, though.

Instead I copy the entries from one year to the next – say from 2021 to 2022 – and then make adjustments.

### What's added, what's removed?

Whether it's a regular, ongoing task or something I need to work on once per year, I think through each item on my to-do list carefully.

One example of a recurring item: We're paid biweekly.

So, I check the calendar to see in which months during the upcoming year our two extra paydays will occur. Or maybe I'll need to add a third extra payday if it's a 27-payroll year.

My once-per-year tasks tend to be related to entering changes for health insurance open enrollment or updating withholding from nonqualified deferred compensation.

We also have a gifts and awards payroll, so I plan for that, too.

Some items, such as a holiday bonus, might need to be removed.

By planning ahead, I know what I need to do, and with dozens of items on the list, I cross entries off the list as I go through the year, so then I know for sure what's done.

*(Tammy Wesoloski, payroll manager, OraSure Technologies, Bethlehem, PA)*

**REAL  
PROBLEMS  
REAL  
SOLUTIONS**

## 3 Direct deposit: Employees don't always tell us about bank changes

When employees who participate in direct deposit make bank account changes, we in Payroll need to know that so they can receive their pay.

But of course, employees sometimes forget to tell us.

Whether they close an account at their bank or switch to another bank altogether, it's not top of mind for them to inform Payroll.

We've tried sending reminders, saying please let us know about any updates *before* we process payroll.

Often though, we find out about a change because our bank will notify us that the funds didn't go through.

### The steps we take

When this happens, we follow certain procedures. First, we stop the direct deposit in the payroll system.

Next, we notify the employee about what has happened and ask that person to fill out a form with the updated direct deposit info. This usually comes back to us fast.

The last step is key: We wait until our bank returns the funds to us before we re-issue the employee's direct deposit.

We might not be able to prevent the problem of employees forgetting to tell us about direct deposit changes.

But we at least want to handle the situation the smoothest way possible on our end.

*(Becky Cavallaro, payroll, Future Foam Inc., Council Bluffs, IA)*

## Top 3 new-hire incentives employers now trying – and the impact on you

### ■ EMPLOYERS OFFERING SIGNING BONUSES & MORE TO TOP TALENT

As companies try to recover from the effects of the pandemic, many want to hire new employees – but that’s easier said than done.

Over half of companies plan to add new workers in the second half of 2021, according to a recent survey from Robert Half. But how will they get new hires in the door? The answer for some employers is hiring incentives. Here’s what that means for Payroll.

#### What Payroll should watch for

To draw in top talent, companies are relying on three key incentives that could potentially impact your responsibilities when it comes to paying employees correctly:

1. **Signing bonuses.** Per the survey, 48% of companies plan to offer bonuses to new hires in the second half of 2021. It’ll be important for Payroll to know whether these bonuses are discretionary or nondiscretionary, based on the language written in employee

contracts. Signing bonuses would typically be considered nondiscretionary and included in the regular rate of pay since employees expect to receive them after the criteria have been met. But this may not always be the case, so it’s important to double-check.

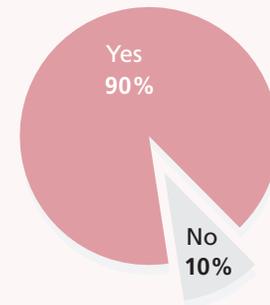
2. **More paid time off.** Sometimes, employers can’t increase the salary they’ve budgeted for a position. However, they may have more leeway with offering new hires more time off – a strategy 43% of those surveyed plan to use this year. New hires may need a nudge to use this time off, especially if they’re working hard to make a good impression. It may also be necessary to remind them that they shouldn’t do any work while on vacation – including checking email as these hours, if unaccounted for, can impact the pay of any nonexempt employees.

3. **Better job titles.** Forty percent of employers are offering new hires fancier job titles to entice them to sign on. While this is all well and good, calling someone a “manager”

### WHAT PAYROLL PROS TOLD US

#### Workers without bank accounts

Do you have a checking or savings account with a bank or credit union?



Source: Survey, Morning Consult

Employees who don’t have bank accounts may be among your direct deposit holdouts. Improve your chances of getting them on board by offering options like paycards.

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

doesn’t mean they’re automatically exempt from overtime. Be sure to review the job description and take a look at the actual job duties to see if the person’s classified correctly and receiving the right type of pay. And check in with their supervisors to make sure your info is accurate.

**More info:** [bit.ly/incentive633](http://bit.ly/incentive633)

### SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

Yes, the company got the claim regarding Family and Medical Leave Act (FMLA) interference thrown out.

As part of his proof, the former employee pointed to one day during a snowstorm in which he stayed home. In an email, his manager directed him to enter a personal day on his timesheet. The court found at least two flaws with the former employee’s claim that he tried to take FMLA leave that day but was prevented from doing so.

First, although he had ongoing foot problems that required medical treatment, he never once contacted HR to discuss taking time off under the FMLA.

Even supposing the former employee got confused about whether he should talk to HR or his supervisor about potential FMLA leave on that particular day – given that a companywide email told employees to contact their managers with any problems getting into work – the fact is, he didn’t say a word to his manager about needing leave.

A second flaw the court found with the former employee’s claim was that he entered on his timesheet that he worked remotely, not that he took time off.

Bottom line: The employee didn’t notify his employer of his intention to take FMLA leave, and that’s a necessary step for bringing a claim of FMLA interference.

#### Analysis: Up to speed on handbook changes

How well do employees at your company understand the notification process if they intend to take FMLA leave?

Watch for unexpected problems. For example, if you’ve recently updated your handbook, even to make your procedures more generous, point out the changes to employees. Say you’re now giving employees 30 days to submit their notice, up from 15 days, make sure they know that. Otherwise, they may argue that they unnecessarily missed their opportunity to take leave.

**Cite:** *Amley v. Sumitomo Mitsui Banking Corp.*, No. 19 Civ. 3777 (CM) (BCM), U.S. D.C., S.D. New York, 9/27/21. Note: Dramatized for effect.

### Industry news you can use

#### ■ Reporting stipends over \$50 on Form W-2 and Form 1099-NEC

Qualified payments made under Internal Revenue Code Sec. 139B(a) to firefighters and emergency medical responders are excludable from income and aren't reportable to the IRS.

That's what the IRS said in Chief Counsel Advice 2021-0010.

Payments that aren't qualified – for example, stipends in excess of \$50 per month – need to be reported at year-end on:

- Form W-2 for employees of volunteer emergency response organizations, and
- Form 1099-NEC for independent contractors at such organizations.

More info: [bit.ly/emergency633](http://bit.ly/emergency633)

#### ■ Piece rate no longer allowed, according to California law

Garment manufacturers in California will no longer be able to use the piece rate to pay employees. Instead, an hourly rate that's not less

than the minimum wage will need to be paid as of Jan. 1, 2022. That's according to SB 62.

The law also expands the definition of garment manufacturer to include dyeing, altering a garment's design and affixing a label to a garment.

A garment manufacturer that uses the piece rate will be subject to compensatory damages of \$200 per employee per pay period.

More info: [bit.ly/garment633](http://bit.ly/garment633)

#### ■ Withhold from nonresident employees' wages in Louisiana?

A new Louisiana law, SB 157, says employers don't have to withhold income tax from nonresident employees' wages unless they work more than 25 days in the state. The law takes effect Jan. 1, 2022. The threshold doesn't apply to wages paid to a professional athlete, staff member of a professional athletic team, professional entertainer, public figure or qualified production employee.

More info: [bit.ly/athletes633](http://bit.ly/athletes633)

### 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 I easily remove pages from PDFs without Acrobat?

**Q:** Is there any way for me to delete unnecessary pages from a PDF file without using Adobe Acrobat tools?

**A:** For those who only have the basic version of Adobe Acrobat installed on their work computers, there are other options if you want to delete pages from a PDF. Three major Internet browsers, Chrome, Edge and Firefox, allow users to "print" to PDF. This gives you

the ability to remove pages that you don't need from PDFs. To use this feature, drag and drop the PDF from where it's saved onto the tabs in your browser to preview it. Click on the Print icon and, instead of printing, select the option that says "Save as PDF" (or "Microsoft Print to PDF"). Under Pages, select the range of pages you want to keep in the PDF. Then hit the Print or Save button (whichever one pops up on your browser). Save the file wherever you'd like. Once you open the new PDF file, it should only have the pages you needed in it.

More info: [bit.ly/newpdf633](http://bit.ly/newpdf633)

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 contains updates of Payroll-related publications.

- Publication 1220, *Specification for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G*. Revised September 2021. Posted 9/27/21.
- Publication 5448, *SB/SE Focus Guide*. Revised September 2021. Posted 9/27/21.
- Publication 4163, *Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns*. Revised September 2021. Posted 9/29/21.
- Form 4419, *Revise Existing Transmitter Control Code (TCC) for Filing Information Returns Electronically (FIRE)*. Revised September 2021. Posted 9/29/21.
- Publication 5078, *Assurance Testing System (ATS) Guidelines for Modernized e-File (MeF) Business Submissions*. Revised August 2021. Posted 9/29/21.
- Publication 5164, *Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns (AIR) Processing Year 2022*. Revised October 2021. Posted 9/30/21.
- Form 5498-ESA, *Coverdell ESA Contribution Information*. Revised 2022. Posted 9/30/21.

More info: Find links by going to [www.keeptodateonpayroll.com/forms-and-publications-633](http://www.keeptodateonpayroll.com/forms-and-publications-633)

#### 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**

- **HEALTH CARE:** AB 237 has created stricter requirements for public employers in California. As of Jan. 1, 2022, you must continue to collect and remit contributions for health care or other medical coverage for employees and their dependents – even if the employees go on strike. **More info:** [bit.ly/california633](http://bit.ly/california633)

**CONNECTICUT**

- **TAXABLE WAGE BASE:** Brace for a huge leap from the current \$15,000 taxable wage base for unemployment insurance to \$25,000 as of Jan. 1, 2022. **More info:** [bit.ly/connecticut633](http://bit.ly/connecticut633)

**MASSACHUSETTS**

- **PAID LEAVE:** The contribution rate for the paid family and medical leave program will be 0.68% of eligible wages, effective Jan. 1, 2022. That's a decrease from the current 0.75%. **More info:** [bit.ly/massachusetts633](http://bit.ly/massachusetts633)

**MINNESOTA**

- **MINIMUM WAGE:** The minimum wage will increase for 2022. It'll go up to \$10.33 per hour (currently, it's \$10.08) for large employers. Small employers will pay \$8.42 (up from \$8.21). That's also the youth and training wage rate. **More info:** [bit.ly/minnesota633](http://bit.ly/minnesota633)

**NEW YORK**

- **PAID FAMILY LEAVE:** Under the state's paid family leave program, employees can receive up to 67% of the Statewide Average Weekly Wage (SAWW). For 2022, the SAWW will

be \$1,594.57. The contribution rate will be 0.511%, and an employee's maximum annual contribution for 2022 will be \$423.71. **More info:** [bit.ly/leave633](http://bit.ly/leave633)

- **PAYSTUBS:** Your paystubs likely include wording such as "regular hours worked" and "overtime hours worked," but for employees paid biweekly should paystubs also include "hours worked per week"? One employee thought so and sued her employer, Petco, claiming a violation of state law. No need to include the tally of weekly hours worked on wage statements – at least not under the New York Labor Law – a federal district court recently ruled. **More info:** [bit.ly/hours633](http://bit.ly/hours633)

**OKLAHOMA**

- **FORM W-2:** Starting with tax year 2021, you're allowed to truncate Social Security numbers (SSNs) on employees' copies of Forms W-2. You can use either of these formats to mask the SSN: XXX-XX-1234 or \*\*\*-\*\*-1234. The forms are due to employees by January 31 of each year. **More info:** [bit.ly/oklahoma633](http://bit.ly/oklahoma633)

**OREGON**

- **FORM I-9:** A new law takes effect Jan. 1, 2022. SB 569 states employers can't require a prospective or existing employee to give them a valid driver license to be hired or keep their job – although someone can voluntarily offer the document. If driving is an essential function of the job, employers can ask for a driver's license. Also in the law: Employers can't refuse any acceptable Form I-9 documents. **More info:** [bit.ly/oregon633](http://bit.ly/oregon633)

**VIRGINIA**

- **RETIREMENT PLAN:** According to H 2147, the Virginia College Savings Plan will be up and running by July 1, 2023, or as soon after

that as is practical. Employers will be able to set up payroll deposit retirement savings agreements with employees. Guidelines regarding minimum and maximum contributions haven't been released yet. **More info:** [bit.ly/virginia633](http://bit.ly/virginia633)

**WASHINGTON**

- **HEALTH CARE:** The Ninth Circuit Court of Appeals has declined to hear a case brought against the City of Seattle. At issue? Whether localities can impose mandates requiring employer-provided health care. For now, cities and counties in Washington can continue to pass such mandates. That'll lead to a patchwork of laws, making employers' compliance more difficult, says the ERISA Industry Committee. **More info:** [bit.ly/washington633](http://bit.ly/washington633)

THE LIGHTER SIDE

When the Kunsten Museum of Modern Art in Denmark hired artist Jens Haaning to produce a work of art, the expectations were clear.

The artist received the equivalent of \$84,000 in cash so he could recreate some earlier artwork. The kroner would be framed as part of the creative process. Or so the museum thought.

Two crates arrived at the museum containing the artwork entitled "Take the Money and Run." Staff members were looking at two blank canvases and no money. Nonetheless, they put the piece on display, according to NPR.

The artist has since said he'll return the money by the time the museum's exhibition on work ends.

We say it might be best if he paid his "loan" back to the museum through payroll deductions.

**Cite:** [bit.ly/artist633](http://bit.ly/artist633)