

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™

January 17, 2022

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 TO REQUEST ADVICE FROM IRS? HERE'S HOW

Item: Rev. Proc. 2021-1, *Rulings and Determination Letters*.

Background: The Revenue Procedure explains how the IRS provides advice, such as rulings and determination letters. It also informs taxpayers how they can request advice.

Comments due: 2/14/22.

Cite: *Federal Register*, 12/15/21.

■ FILING FORM 990, OTHER FORMS ELECTRONICALLY

Form: 990 and other exempt organization forms.

Background: Used to ensure tax-exempt organizations fulfill the operating conditions of their tax exemption. The Taxpayer First Act requires electronic filing, and most nonprofits use software to prepare the forms.

Comments due: 1/21/22.

Cite: *Federal Register*, 12/22/21.

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

Mileage rates are up, says IRS: What that means for Payroll

■ An increase of 2.5 cents per mile for 2022

With only a couple weeks left until 2022, the IRS released the standard mileage rates for vehicle travel.

And as you might have expected, due to higher gas price, rates are up.

Starting Jan. 1, 2022, the rate for vehicles driven for business use is 58.5 cents per mile. That's up 2.5 cents from 2021 rates.

The rate for vehicles driven for medical reasons or for moving purposes for qualified active-duty members of the Armed Forces has risen 2 cents from 2021 to 2022. The new rate is 18 cents.

Finally, the mileage rate for miles driven in service of charitable

organizations is 14 cents, unchanged.

As IRS explained in Notice 2022-3, the rates apply to cars, vans, pickups or panel trucks.

Including amounts on Form W-2

Whether employees use their own cars for work trips or use company vehicles for personal reasons, here's what Payroll needs to know:

1. Do employees use their own cars for work trips? Even if A/P reimburses employees under an accountable plan, Payroll should be in the loop.

Let's say your company reimburses employees 58.5 cents per mile, but

(Please see Mileage rates ... on Page 2)

More than 70% of cyberattacks hit these businesses

Be alert to cyberattacks attempting to gain access to business data and customer information, members of the Security Summit urged businesses late in 2021.

The warning came during National Tax Security Week.

More than 70% of cyberattacks take aim at businesses with 100 or fewer employees, according to the Security Summit – which is comprised of the IRS, state tax agencies and the nations tax industry.

What do con artists go after? Credit card or payment information or the identity of a business or its employees.

If you notice any red flags – for example, if you receive a notice about Forms W-2 filed with SSA but you didn't file them – send Form 14039-B, *Business Identity Theft Affidavit*, to the IRS.

Steps for prevention

To head off problems, you can:

- set security software to update automatically
- require strong passwords for all devices
- encrypt devices, and
- use multi-factor authentication.

More info: bit.ly/security637

Audit revealed \$74K shortfall in fringe benefits employer paid

■ COMPANY HAD TO HAND OVER FORMS W-2, OTHER PAYROLL INFO

Audits can be stressful and costly, especially if problems turn up.

One construction and carpentry company, Builder's Alliance, knows that firsthand.

Under the terms of a Collective Bargaining Agreement (CBA), the Minnesota employer needed to make fringe benefit contributions to several funds, including a pension fund.

When the trustees of the funds initiated an audit, they requested the following information from the employer: fringe benefits reports, state quarterly unemployment reporting forms, 941s, W-2s and W-3s, 1099s, payroll summaries, employee earning summaries and paystubs.

The audit showed the company didn't remit contributions for a significant number of hours that employees worked. Plus, the company failed to make contributions on behalf

of a subcontractor's employees.

So, the auditor sent an invoice to the company for \$74,065.53 in unpaid fringe benefit contributions. The company argued in court that it owed less than that, but lost.

When laws overlap

A word of caution: An employer subject to a CBA, the Davis-Bacon Act, ERISA and other laws may face overlapping or similar requirements involving fringe benefits.

A company that may follow certain laws to a T isn't off the hook for violations of other laws.

More info: *Raines v. Builders Alliance Inc.*, Civil No. 20-1229 (JRT/ECW), U.S. D.C., D. Minnesota, 12/1/21.

Mileage rates ...

(continued from Page 1)

someone later realizes his or her expense report contained more miles than actually traveled for business purposes. That person should return the excess amount to your company within a "reasonable time" – IRS says that's 120 days after the expense was paid or incurred.

Otherwise, Payroll must include the excess amount on Form W-2.

2. Do employees use company vehicles for personal reasons? When that happens, Payroll must calculate the value of the fringe benefit.

If you use the cents-per-mile rule to do that, in 2022 you'd multiply 58.5 cents times the employee's personal-use miles. Unless the employee reimburses your company, include the value of the fringe benefit on Form W-2.

Be careful: To use the cents-per-mile or the fleet-average valuation rules, the value of a vehicle first made available to employees in 2022 can't exceed \$56,100 (a significant jump up from \$51,100).

More info: www.irs.gov/pub/irs-drop/n-22-03.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.

■ TERMINATED, THEN REHIRED – BUT WITH HOW MUCH PTO?

"I just finished entering John's rehire paperwork in the system," Payroll Manager Pat Gray told HR Manager Cheryl Jones.

"I feel bad that we weren't able to reinstate the PTO he earned when he worked here the first time," said Cheryl. "He had earned five weeks of PTO before he quit, and he lost it all."

"I was thinking the same thing," nodded Pat. "But our policy is clear that someone has to work for the company for three years for their PTO to be vested."

Drawing a line

"His supervisor, Shawn who's worked here for over 10 years, asked me if we could make an exception to our rule because John was such a valuable employee and he was glad to have him back on his team," said Cheryl.

"I told him no," Cheryl went on. "After all, we have to draw the line somewhere – and for now at least, three years of employment is our line for who gets their PTO reinstated if they're rehired."

But the supervisor wasn't satisfied with the policy or the answer he'd received from HR.

So, he granted the employee time off, telling him to enter time worked in the timekeeping system on those days.

The company fired the longtime supervisor for not following company policy. He applied for unemployment compensation. Was he eligible for it?

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

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2022 withholding tables, other key info found in IRS Publication 15-T

■ USING COMPUTATIONAL BRIDGE IF EMPLOYEES GIVE YOU 2021 W-4P

Now that IRS has released the final version of Publication 15-T, you can firm up your payroll system updates for 2022.

On Dec. 21, 2021, the IRS posted the publication which contains seven federal income tax withholding methods for employers.

They are:

1. Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities
2. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later
3. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier
4. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later
5. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier
6. Alternative Methods for Figuring Withholding, and
7. Tables for Withholding on

Form 940 due in January – and tax rates to watch

Now that the IRS has released Form 940 for 2021, employers can make strides with filing the federal return and paying FUTA tax by Jan. 31, 2022.

Good news: For 2021, there's only one "credit reduction state." It's the Virgin Islands.

What to expect

But the picture could look a lot different for 2022. Next year at this time, many employers could be hit with a higher FUTA tax rate.

That's because nine states may still owe money they borrowed

Distributions of Indian Gaming Profits to Tribal Members.

Form W-4P withholding

Also included in Publication 15-T? The computational bridge employers may need if they expect employees to fill out the 2021 Form W-4P during some or all of 2022.

By way of reminder, IRS says that although the overhauled W-4P will be available in 2022, it won't be required until Jan. 1, 2023.

Employers that aren't ready to switch to the revised form will need to make four adjustments to their payroll systems if they opt to use the computational bridge. See Page 6 of Publication 15-T for the details.

The advantages of using the computational bridge are that you'll simplify data storage and eliminate some steps in Worksheet 1B.

Note: An employee who chooses not to have income tax withheld would write "No Withholding" on the 2022 W-4P. On the 2021 version of the form, employees simply check a box.

More info: www.irs.gov/pub/irs-pdf/p15t.pdf

from the federal government to pay unemployment benefits during 2020.

States have until Nov. 10, 2022, to get to a zero fund balance. If they can't repay the money by then, employers in those states will face a 0.3% reduction in the FUTA tax credit.

In addition to the Virgin Islands, the states to watch are California, Colorado, Connecticut, Illinois, Massachusetts, Minnesota, New Jersey, New York and Pennsylvania.

More info: www.irs.gov/form940

NEWS YOU CAN USE

■ HIGHER SALARY LEVEL FOR WHO'S EXEMPT FROM OT?

You may see the Dept. of Labor's Wage and Hour Division propose a rule in 2022 regarding the overtime exemption.

That's because the Fall 2021 Regulatory Agenda, released in December 2021, includes an update to the salary level requirement for who's exempt from overtime.

No word on how much higher the salary level might be compared to the current per week.

We'll keep you posted.

More info: bit.ly/exempt637

■ UNBANKED EMPLOYEES POSE DIRECT DEPOSIT CHALLENGE

What's preventing some employees from getting paid through direct deposit?

They don't have a bank account.

That's the case for 5% of adults, according to the Federal Reserve Board's *Report on the Economic Well-Being of U.S. Households in 2020 - May 2021*.

That number is shrinking – in the prior year, 6% of adults were unbanked.

More info: bit.ly/bank637

■ FLEXIBILITY CONTINUES FOR PHYSICALLY INSPECTING I-9

U.S. Immigration and Customs Enforcement (ICE) has once again extended its Form I-9 flexibility, this time until April 30, 2022.

The flexibility pertains to employees hired on or after April 1, 2021, who work exclusively in a remote setting for reasons related to COVID-19.

According to ICE guidance, such employees are exempt from the Form I-9 physical inspection requirement until they begin working on-site or until the flexibility has ended.

More info: bit.ly/flexibility637

TEST YOUR KNOWLEDGE

■ EFTPS: Vital info on payment procedures for quarterly taxes

The easiest (and preferred) way to make tax payments to the IRS is to use the Electronic Federal Tax Payment System (EFTPS).

To avoid scrutiny from the Service, test yourself on the correct protocols for EFTPS payments and how to handle errors by answering *True* or *False* to the following:

1. The tax period for an EFTPS payment should be the year and/or quarter that's applicable to your tax liability.
2. If there's a mistake in the tax period for a current EFTPS payment, you'll have to cancel and resubmit the transaction.
3. If there's an error in the amount of tax paid, tax type or tax form, you'll have to cancel and resubmit the EFTPS transaction.
4. EFTPS isn't able to process any business tax payments that are due on the same day.

ANSWERS

Answers to the quiz:

1. *True.* With Forms 941, the tax period is one of the quarters of the calendar year (e.g., use Q1 for a February payment) along with the relevant four-digit year.
2. *False.* The IRS will automatically correct the tax period for any current federal tax payments.
3. *True.* However, any payments that are scheduled for fewer than two business days can't be canceled. So you'll either have to submit a new payment for the difference if you still owe tax or contact the IRS to make a correction to the form/type.
4. *False.* Any payments that are for \$100,000 or less and are submitted before 3 p.m. EST on a business day can be settled on the same day. Other options are also available.
More info: www.eftps.gov

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.

Over \$1.2M owed to home healthcare workers

Employers: Vital Home Health Care Inc. and Comfort Home Health Care Inc., Dallas.

Business: Home healthcare agencies.

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

Type of violation: Even when they worked over 40 hours during a workweek, employees received straight-time pay for all hours. In addition, some employees were only paid for their scheduled hours instead of time worked.

Penalty: The two agencies had to pay over \$1.2 million in back wages to 202 employees.

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

Landscaper violates multiple H-2A provisions

Employer: Resendiz Pine Straw LLC, Sugar Hill, GA.

Business: Landscaping company.

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

Type of violation: The employer sent employees to a different work location and gave them different assignments than those listed on the H-2A application. It also illegally deducted hours for breaks and lunches. As a result, workers were paid for fewer hours than promised at significantly lower rates. They also didn't receive proper housing, weren't reimbursed for their travel costs and didn't receive copies of their contracts.

Penalty: Resendiz must pay \$136,971 in back wages to 110 workers, along with \$39,016 in penalties.

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

Employer didn't give OT to workers for travel time

Employer: Leone Electric Co LLC, Clifton, NJ.

Business: Electric company.

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

Type of violation: Various workers weren't paid for the time they spent traveling between job sites, which meant they weren't paid overtime for the correct number of hours.

Penalty: Ninety-three workers received \$198,275 in back wages.

Government office: Dept. of Labor, Wage and Hour Division, Mountainside, NJ, office.

Employees weren't paid for pre- or post-shift work

Employer: Crosier & Son Roofing Inc., Gainesville, FL.

Business: Roofing contractor.

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

Type of violation: Employees weren't paid for the time they spent reporting to work to get trucks or equipment before going to job sites, and they also weren't paid for the time spent returning them. Any hours worked over 40 weren't recorded in payroll. Workers were paid for the hours in cash at straight-time rates.

Penalty: The employer paid \$46,302 in back wages to 29 workers.

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

Tracking local laws and regs

■ 4 hours of vaccine-related leave granted to NYC employees

Individuals employed by New York City are eligible to take up to four hours of excused leave to accompany their children to receive the COVID-19 vaccine.

That's according to Mayor's Personnel Order No. 2021/2.

More info: www1.nyc.gov/office-of-the-mayor/news/2021-02/mayor-s-personnel-order-no-2021-2

■ Supplemental wages: Lower tax rate in this New York borough

For residents of Yonkers, NY, the supplemental wages tax rate has decreased to 1.95975% (down from 2.30815%). No rate change for nonresidents.

In addition, the *Yonkers Withholding Tax Tables and Methods* has been updated effective Jan. 1, 2022.

More info: www.tax.ny.gov

■ In San Diego, minimum wage reaches \$15 per hour for 2022

Employers in San Diego need to pay employees at least \$15 per

hour for 2022. That's up from \$14.

More info: www.sandiego.gov/compliance/minimum-wage

■ Minimum wage in ME is \$12.75, but in these cities it's higher

For 2022, two Maine cities have set their minimum wage rates higher than the state rate of \$12.75 per hour. In Portland, the regular minimum wage is \$13, but because an emergency order is in effect, that rate must be multiplied by 1.5, bringing the city's hourly rate to \$19.50. In Rockland, a new Local Minimum Wage Ordinance established a rate of \$13 per hour.

More info: bit.ly/portland637, bit.ly/rockland637

■ Higher income tax rates in Cass, Madison and Randolph counties

Three counties have updated their tax rates, effective Jan. 1, 2022. That's what the Indiana Dept. of Revenue has announced in Departmental Notice #1. Changes have been made in these counties:

- Cass – 0.0295 (was 0.027)
- Madison – 0.0225 (was 0.0175), and

PRODUCTIVITY BOOSTERS

■ Before uploading W-2s, check for .TXT or .ZIP extension

SSA has issued a reminder for employers choosing to use the new Wage File Upload process to file Forms W-2.

Your EFW2 file must have a .TXT or .ZIP extension, SSA said.

With Wage File Upload – the revamped uploading option – SSA will process your file and provide results in real time. If your file contains errors, they'll be provided to you on the screen.

Note: W-2 Online is still available for TY 2021 as well.

More info: www.ssa.gov/employer

- Randolph – 0.03 (was 0.025).

More info: www.in.gov/dor/files/reference/dn01.pdf

■ 2 Maryland counties have raised their income tax rates for 2022

The Comptroller of Maryland says employers in two counties will pay higher income tax rates during 2022. The counties are:

- St. Mary's – 3.10% (was 3.17%), and
- Washington – 3.0% (was 3.20%).

More info: bit.ly/md637

REAL PROBLEMS, REAL SOLUTIONS

If I need info about payroll changes, I'm a couple clicks away

For a while, we'd thought about making more aspects of the payroll process electronic.

However, that wasn't ever an urgent task.

Then the pandemic hit. "Someday" became "today" in terms of moving away from paper.

Early on, when we started working remotely, I'd go into the office and scan the paperwork if, say, our auditors requested information related to a certain payroll.

That situation was a good temporary solution.

Nonetheless, as soon as we could,

we thought through how we could go electronic.

Sorting according to payday

Here's how that looked for our payroll department.

During any given pay period, we received emails related to changes in employees' status, their payments and so on.

We used to print the changes, put them in batches according to payday and file them in folders.

For example, we had a folder called "New hires."

Now we save those emails on our

hard drive, placing them in a desktop folder by the same name as our physical folder.

And we still sort according to payday.

We have other folders ranging from bonuses to business benefits.

Plus, who could do without a miscellaneous folder?

Whether I need payroll information for our auditors, a co-worker or myself, I'm a click or two away from finding it.

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

Is that job-seeker telling the truth? 3 in 10 people have lied on resumes

■ APPLICANTS EXAGGERATE THEIR EXPERIENCE, CREDENTIALS & MORE

George Washington may have never told a lie, but you can't say the same for some job-seekers.

In fact, 32% of Americans admit to fibbing on their resumes to make themselves look more appealing to potential employers, according to a recent *ResumeBuilder.com* survey.

Reasons for little white lies

What are the top reasons for tall tales on job-hunters' resumes? Per the survey, they responded:

- to improve my chances of getting hired (72%)
- lacked necessary qualifications (44%)
- got fired/parted on bad terms from previous employer (41%), and
- to add more keywords to resume (40%).

As for the places where little white lies often lurk in resumes? Among those who lied, the most common exaggerations were found with their:

- years of experience (46%)
- education credentials (44%)
- time position(s) held (43%)
- skills or abilities (40%)
- previous employer(s) (38%)
- previous job responsibilities (36%)
- professional achievements (33%)
- professional credentials or achievements (27%), and
- references (27%).

While some applicants may get far along in the hiring process by lying, many others eventually face consequences. After their lies were exposed, 41% had their job offers rescinded and another 18% were fired after they started. An additional 12% were reprimanded.

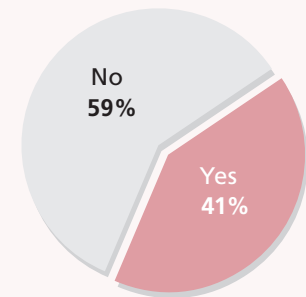
However, nearly 30% of applicants faced no consequences at all for lying. Presumably, that means they somehow muddled through their jobs with their lack of qualifications undetected.

Even worse: Finance is one of the top occupations where people lied to get a foot in the door: 45% of job-seekers surveyed in the industry admitted to stretching the truth on

WHAT PAYROLL PROS TOLD US

Resignations set to rise

Do you plan to look for a new job in the first half of 2022?



Source: Robert Half Job Optimism Survey

This year, have a plan ready to deal with the "Great Resignation" and its impact on the amount of paperwork you'll have to process – have the staff available to help.

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

their resumes. That revelation may explain some things about colleagues you've had in the past.

So if you get an applicant who perhaps says they worked in Payroll at Buckingham Palace for 20 years, you might want to double-check that experience is legit.

More info: bit.ly/resumelie637

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

No, the supervisor wasn't eligible for unemployment compensation (UC). He appealed the decision several times without success.

Under the Pennsylvania UC Law, if a worker is discharged from employment due to "willful misconduct," he or she isn't eligible for benefits.

The supervisor had violated the company's policy regarding paid time off (PTO), and that was "willful misconduct," the company argued.

According to the policy, PTO was vested once someone worked for the company for three years. If someone who was employed for less than three years quit and returned to work, that person's PTO wouldn't be reinstated.

Although the supervisor knew the company's policy and had even asked HR about it, he allowed one of his employees, who wasn't eligible for PTO after the company had rehired him, to take time off anyway. Furthermore,

he told the rehired employee to enter time worked in the timekeeping system on days he didn't work. The supervisor indicated, however, that the employee worked evenings and weekends to offset some of that time off.

The state court, hearing his case on appeal, affirmed a review board's earlier decision. The employee wasn't eligible for unemployment benefits, the court concluded.

Analysis: Time to revise PTO policies?

Many companies are struggling to find quality employees and fill open positions – and supervisors may bear the brunt of that.

Of course, supervisors need to follow company policies. That said, Payroll, HR and others at your company may want to take another look at your PTO policy. Consider whether revising your current policy would be a cost-effective way to attract new hires and retain your existing workforce.

Cite: *Rico v. Unemployment Compensation Board of Review*, No. 251 C.D. 2021, Commonwealth Court of Pennsylvania, 12/2/21. Note: Dramatized for effect.

Industry news you can use

■ Read all about it! Newspaper workers exempt from ABC test

California employers must use the ABC test to determine if someone is an independent contractor or employee, with the presumption being that the person is an employee.

Newspaper distributors under contract with a newspaper publisher and newspaper carriers had been temporarily exempt until Jan. 1, 2022. Recently, AB 1506 extended that exemption until Jan. 1, 2025.

More info: bit.ly/newspaper637

■ DOL guidance on paying overtime to H-2B visa holders

Employers hiring workers with H-2B visas should know the federal Dept. of Labor (DOL) has released Field Assistance Bulletin 2021-3, providing enforcement guidance on overtime obligations under the Immigration and Nationality Act.

For example, the guidance says if an employer will make overtime

available to H-2B workers, the job order should specify that fact. Also, the wage offers for working overtime should be included.

The following industries that hire high numbers of H-2B should take particular note:

- landscaping
- hospitality
- arts, entertainment and recreation
- forestry, fishing and hunting
- construction, and
- food, beverage, textile and apparel manufacturing.

More info: bit.ly/visas637

■ Proposed rule on hourly Adverse Effect Wage Rates

The federal Dept. of Labor (DOL) proposed a rule affecting agricultural employers that hire H-2A workers.

The DOL wants to modify the methodology used to determine the hourly Adverse Effect Wage Rates.

More info: *Federal Register*, 12/1/21.

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 I do to make my Windows PC run faster?

Q: My work PC has been running slowly lately. IT did a virus scan and didn't find anything suspicious. What else can I try?

A: To speed up a slow Windows computer, you may need to delete some unnecessary temporary files that are taking up space on your hard drive. Under Windows Settings, select System, then Storage, then Temporary files. Here, you can choose specific files or select all files. Click Remove Files at

the top of the window to delete them. You may also want to clear your browser cache. With Google Chrome, you can do so by clicking the three dots to the right of the address bar, selecting Settings, then Clear browsing data. Choose both "Cookies and other data" and "Cached images and files." Then select Clear Data. In addition, there's a chance your computer could be running slowly because your operating system needs updating. Windows will have available updates displayed in its "Updates and Security" menu.

More info: bit.ly/clutter637

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.

- Form 1099-MISC, *Miscellaneous Income*. Revised January 2022. Posted 12/10/21.
- Form 8962, *Premium Tax Credit*. Revised 2021. Posted 12/13/21.
- *Instructions for Form 8962, Premium Tax Credit*. Revised 2021. Posted 12/13/21.
- Form 1099-NEC, *Nonemployee Compensation*. Revised January 2022. Posted 12/14/21.
- *Instructions for Form 2106, Employee Business Expenses*. Revised 2021. Posted 12/14/21.
- Notice 797, *Possible Federal Tax Refund Due to the Earned Income Credit (EIC)*. Revised December 2021. Posted 12/15/21.
- *Instructions for Form 8941, Credit for Small Employer Health Insurance Premiums*. Revised 2021. Posted 12/15/21.
- *Instructions for Form 990, Return of Organization Exempt From Income Tax*. Revised 2021. Posted 12/16/21.
- Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. Revised 2021. Posted 12/16/21.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-637

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!

COLORADO

- **VACATION PAY:** The Dept. of Labor and Employment's Division of Labor Standards and Statistics has finalized a wage protection rule on vacation pay. The rule which takes effect Jan. 1, 2022, defines "vacation pay" as pay for leave that's usable at the employee's discretion. It's different from leave usable only upon occurrence of a qualifying event (e.g., medical need, caretaking requirement, bereavement or holiday). **More info:** bit.ly/co-637

CONNECTICUT

- **PAID LEAVE:** As of Jan. 1, 2022, employees can take time off under the state's new paid family and medical leave program. Employers may require employees to use their accrued paid time off concurrently with Connecticut Paid Leave. However, the total compensation received by the employee can't exceed the employee's regular rate of pay. **More info:** ctpaidleave.org

NEBRASKA

- **WITHHOLDING:** The 2022 *Nebraska Circular EN* has replaced the 2017 *Nebraska Circular EN*. The document contains a notice that employers mandated to pay withheld income tax electronically (those whose total payments in any prior year exceeded \$5,000) must also e-file Form 941N and W-3N. **More info:** bit.ly/nebraska637

NEW JERSEY

- **MINIMUM WAGE:** Starting Jan. 1, 2022, most employers in New Jersey need to pay at least

\$13 per hour, up from \$12. For seasonal and small employers (those with fewer than six employees) the minimum wage rate is \$11.90. Agricultural employers must pay at least \$10.90. **More info:** bit.ly/newjersey637

NEW MEXICO

- **WITHHOLDING:** The Taxation and Revenue Dept. has released the 2022 withholding tax tables. According to FYI-104, adjustments are no longer made to New Mexico due to the number of allowances taken on a federal Form W-4 that precedes 2020. Employees may still use the federal form, given that there's no state equivalent, but employers should use the withholding tables in FYI-104. **More info:** bit.ly/newmexico637

OHIO

- **WITHHOLDING:** The Dept. of Taxation issued a tax alert on Nov. 12, 2021, advising employers of the lower threshold for filing Form W-2 and Form 1099-R electronically for TY 2021. The new threshold affects all employers and retirement system payers filing 10 or more forms – down from 250. The good news is the filing deadline has been moved from Jan. 31, 2022, to March 2, 2022. **More info:** bit.ly/ohio637

PENNSYLVANIA

- **OVERTIME:** The Dept. of Labor and Industry proposed a rule on Nov. 20, 2021, regarding the calculation of overtime for salaried nonexempt employees. The regular rate would be determined by totaling the employee's pay for the workweek and dividing by 40 hours. Of course, overtime must be paid at a rate of one-and-a-half times the employee's regular rate of pay. **More info:** bit.ly/pa-637
- **RECORDKEEPING:** The state's Unemployment Compensation Law was amended by HB 178,

Act 30. Among the changes, employers must keep records for at least six years after contributions relating to such records have been paid. Previously, the law required employers to retain the records for four years. **More info:** bit.ly/pennsylvania637

SOUTH CAROLINA

- **WITHHOLDING:** SC W-4, *South Carolina Employee's Withholding Allowance Certificate*, has been revised for 2022. Remember, employers should submit a copy of SC W-4 to the South Carolina Dept of Revenue (SCDOR) if the employee has 10 or more allowances or if the employer believes any part of the SC W-4 is fraudulent. Mail W-4 copies to SCDOR, Tax Support, PO Box 125, Columbia, SC 29214-0400. **More info:** dor.sc.gov/tax/withholding/faq

THE LIGHTER SIDE

Talk about recordkeeping!

When an Indiana woman, Katie Posten, found what she thought might be a receipt on her car windshield one recent morning, she took a closer look.

Turned out to be a black and white photo of a woman holding a young child. The back of the photo revealed more information: "Gertie Swatzell & J.D. Swatzell 1942."

Knowing a destructive tornado had passed through nearby states the night before, Posten wondered if the piece of paper she held in her hand was a photo that'd been swept up and carried away.

Indeed it was. After posting the photo on social media, she located the owners: a family from Kentucky. The well-preserved photo had traveled 130 miles.

Cite: AP News, bit.ly/photo637