

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 PAYROLL TM

February 1, 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.

■ REPORTING YEAR-END FAIR MARKET VALUE

Item: Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information.

Background: Trustees must report to the IRS and account holders the year-end fair market value of contributions made to health savings account (HSAs) or medical savings account (MSAs).

Comments due: 1/27/22.

Cite: Federal Register, 12/28/21.

■ CREDIT FOR PROVIDING FAMILY, MEDICAL LEAVE

Item: Form 8994, Employer Credit for Paid Family and Medical Leave.

Background: A general business credit, based on wages paid, is available to employers that provide paid family and medical leave to employees.

Comments due: 1/27/22.

Cite: Federal Register, 12/28/21.

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

Did you catch all these IRS changes for TY 2021 W-2s?

■ Requirements for box 10, box 14 and more

With such a steady stream of IRS changes in TY 2021, it'd be easy to miss something as you're preparing Forms W-2.

So, here's a checklist to help you make sure you've caught some of the most significant, recent developments.

Before you send W-2s out the door, make sure you're in compliance.

Checklist you can use

Filing electronically. Ever since the IRS released proposed regs on July 23, 2021, it's been crickets regarding the new electronic filing requirement.

During the January Payroll Industry Call, when asked about the e-filing threshold drop from 250 to 100 returns (W-2s, 1099s, 1095s, etc.),

IRS said it still didn't have any specific guidance. We'll keep you posted.

Reporting dependent care benefits in box 10. If your company provided dependent care benefits to an employee, show the total amount in box 10. Include any amount above your plan limit in boxes 1, 3 and 5.

The allowable limit increased from \$5,000 to \$10,500 for 2021. Some employers may receive an errata sheet from IRS to include with W-2s so employees have the updated numbers. During the Payroll Industry Call, the IRS said distributing the errata sheet is encouraged, but it's not mandated.

Including qualified paid sick

(Please see IRS changes ... on Page 2)

IRS updates tables for amounts exempt from levy

Finally! The IRS has released Publication 1494 for 2022. You may need the tables contained in the publication if the IRS informs you of a levy on an employee's wages or salary.

More specifically, the tables tell you how much of an employee's take-home pay is exempt from the levy.

The exempt amount is based on the employee's filing status and number of dependents, as indicated on a statement which the employee completes and returns to you within three days.

For example, let's say you have a biweekly payroll, and an employee

is married, filing jointly, with two dependents. Then, \$1,334.61 of that person's wages, salary, fees, bonuses, commissions or other income would be exempt from levy.

One pay period

You may learn about a levy when the IRS sends:

- Form 668-W(ACS)
- Form 668-W(ICS), or
- Form 668-W(C)(DO).

You generally have one full pay period after receiving a form before you need to send funds to the IRS.

More info: bit.ly/levy638

Her job title was 'payroll manager,' but was she really exempt from OT?

■ QUESTIONS ABOUT DISCRETION AND INDEPENDENT JUDGMENT

For one Finance employee, her promotion to payroll manager had a downside: She'd be earning less money annually.

In her new role, she'd be exempt from overtime, earning \$77,500. But as an hourly, nonexempt employee, she'd made nearly \$100K.

After a couple years of working as the payroll manager, she told her boss she disagreed with her classification as an administrative exempt employee.

The dispute ended up in court. The company wanted the misclassification claim tossed, but with so many points of contention, that didn't happen.

What her job entailed

Here's a quick look at her duties and whether she exercised discretion and independent judgment in her

position as payroll manager:

Processing certified and non-certified payroll. Company's take: She was solely responsible to ensure federal and state compliance. Her take: She entered data.

Implementing new accounting and HR software. Company's take: She was the primary vendor contact. Her take: She did research, bringing back the best timekeeping options to the ultimate decision-makers.

Handling payroll tax matters and employment forms. Company's take: She had the authority to deal with any problems. Her take: She could contact the IRS and report back on the info.

The court said a jury should decide.

Cite: *Primera v. Bethel Solutions Inc.*, No. 3:20-cv-00157-JMK, U.S. D.C., D. Alaska, 1/5/22.

IRS changes ...

(continued from Page 1)

and family leave in box 14. This is necessary if your company provided COVID-related leave and claimed a tax credit for that.

If you don't have enough space in box 14, you can send employees a separate statement.

Truncating Social Security numbers (SSNs). You first got the green light to shorten SSNs last year-end, and that's allowed again for TY 2021 forms.

Payroll pros wanting to go the extra mile to protect employees' info have the option. Truncation can be done on employees' copies only.

Reconciling Forms W-2 and W-3 with Forms 941. Employers may encounter more discrepancies than usual when reconciling W-2s and W-3s with 941s this year-end due to the many COVID-related changes.

One example: If employees took qualified sick leave and family leave before April 1, 2021, those wages weren't subject to the employer portion of Social Security tax.

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.

■ UPDATE PAYROLL RECORDS FOR SOMEONE FILLING IN?

"I was going over the paperwork for Mary's workers' compensation claim," HR Manager Cheryl Jones told Payroll Manager Pat Gray.

"Mary's saying we should be paying her \$495.50 per week for her injury, but I'm getting a much lower number: \$249.22 per week," Cheryl added.

"Let me check something," said Pat. "Her hourly rate is \$9.94 according to our payroll records. She was only filling in for her supervisor temporarily until she returned from medical leave."

"Yes, that's right," said Cheryl.

3 months had gone by

"I still remember that morning Mary fell when walking into work. Terrible." Pat shook her head.

"I know," Cheryl sighed. "And it was ironic that she got injured because she was filling in for her supervisor who'd been on medical leave herself for three months."

"Had three months gone by since she stepped into the role?" Pat asked. "Maybe I should have updated our payroll records to reflect the \$12 per hour she was earning for her supervisory work."

"I don't see why that'd matter," said Cheryl. "With workers' comp what's important is what's paid during the four quarters that precede an injury. They look at the highest three of those."

Later, Mary sued over the amount of her workers' comp payment. The company fought back. Did it win?

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

From: **HR MORNING**
Research & Consulting

KEEP UP TO DATE ON PAYROLL™

EDITOR: JENNIFER WEISS
jweiss@HRMorning.com

EDITOR: JESS WHITE
MANAGING EDITOR: CURT BROWN
PRODUCTION EDITOR: P.J. FRONZEO
EDITORIAL DIRECTOR: CURT BROWN

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Changes involving Same Day ACH and data security coming in 2022

■ MORE OPTIONS WILL BE AVAILABLE FOR BUSINESSES, SAYS NACHA

Whether you use ACH for direct deposit, electronic funds transfer or other reasons, you should know changes are coming.

This, after Nacha already made about a half dozen changes during 2021.

For example, on March 19, 2021, Nacha expanded its Same Day ACH hours. A third window was provided, allowing payments to be submitted until 4:45 p.m. EST.

Then, on June 30, 2021, Nacha added a permissible reason for a reversal – i.e., a “wrong date” error.

What’s up ahead

So, what’s coming in 2022? Here’s a look at a couple developments and when you can expect them:

March 18, 2022: On this date, the dollar limit for Same Day ACH will be increased.

In fact, the dollar limit will reach \$1 million. It’s been \$100,000 since March of 2020.

The increased amount will apply to both credit and debit transactions.

Some possible areas in which the increased dollar limit will help businesses are:

- business-to-business payments
- tax payments
- payroll funding
- insurance claim payments
- merchant settlement
- Same Day reversals of standard ACH payments, and
- business continuity – recovery from missed deadlines or outages.

June 30, 2022: Nacha plans to supplement its data security requirements by mid-year.

This applies to large, non-financial institution originators, third-party service providers and third-party senders with an annual ACH volume of 2 million or more transactions.

They’ll need to protect deposit account info by rendering it unreadable when it’s stored electronically.

Since June of 2021, data protection rules have been in place for the above entities with an annual ACH volume of 6 million or more transactions.

More info: www.nacha.org/news/new-nacha-rules-year-review-and-year-ahead

Workforce data: EEO-1 due in May of 2022

After you wrap up your W-2 responsibilities, you may need to jump into EEO-1 reporting. Reason: The EEOC has announced the 2021 Component 1 Report will be due May 17, 2022.

Tentatively, the data collection will begin April 12, 2022, the EEOC recently said.

Note: The 2019 and 2020 EEO-1 Component 1 data collections are now closed.

All private sector employers with 100 or more employees – and federal contractors with 50 or more

employees – must annually submit demographic workforce data – i.e., race/ethnicity, sex and job categories.

Type 6 report discontinued

According to a Jan. 6, 2022, notice, the Type 6 Establishment List Report for establishments with fewer than 50 employees is being discontinued.

Now, all filers reporting data for establishments with fewer than 50 employees must use a Type 8 Establishment Report.

More info: eeocdata.org/EEO1/homel/index

NEWS YOU CAN USE

■ IN APRIL AND JULY, EXTRA DEPOSITS MAY BE NEEDED

A heads-up from the IRS: The semiweekly deposit schedule requires employers to make two tax deposits on certain dates in 2022.

Reason? Deposits on those dates will count toward two different quarters. Here’s what’s coming:

- **April 6, 2022.** First quarter deposit due for payments made March 30 and 31, and second quarter deposit due for payments made April 1.
- **July 7, 2022.** Second quarter deposit due for payments made June 29 and 30, and third quarter deposit due for payments made July 1.

More info: www.irs.gov/pub/irs-pdf/p509.pdf

■ FORM 941 INSTRUCTIONS REVISED – AGAIN!

Another quarter, another revision to the Form 941 instructions.

On Dec. 17, 2021, the IRS added details about the early termination of the employee retention credit for most employers.

The instructions also clarify that employers should use the June 2021 revision of the form for the second, third and fourth quarters of 2021.

More info: www.irs.gov/pub/irs-pdf/i941.pdf

■ IRS RELEASED FORM W-4 JUST BEFORE 2022 BEGAN

IRS posted the 2022 Form W-4 to its website on Dec. 30, 2021, with no time to spare before the beginning of the new year. No major changes this time around.

Employees claiming an exemption from federal income tax withholding have until Feb. 15, 2022, to give you Form W-4 indicating their status. They would write “exempt” in the space below Step 4(c).

More info: www.irs.gov/pub/irs-pdf/fw4.pdf

TEST YOUR KNOWLEDGE

■ 457(b) plan rules for nonprofit and government employers

There are several differences between 457(b) plans that are set up for employees of state and local governments and those for workers at nonprofits.

Test yourself on how well you know the regs for each type of 457(b) plan by answering *True* or *False* to the following:

1. While employees or independent contractors at nonprofits can participate in 457(b) plans, only highly compensated employees and/or managers can participate in government 457(b) plans.
2. Government 457(b) plans allow participants to designate their salary reduction contribution as a Roth contribution.
3. Both types of 457(b) plans permit employer contributions.
4. Participants are able to take loans from the balance of both types of 457(b) plans.

ANSWERS

Answers to the quiz:

1. *False.* Nonprofit 457(b) plans are limited to management or highly compensated employees, and employees and independent contractors can participate in government 457(b) plans. *True.* This option isn't available with tax-exempt 457(b) plans. However, the total contribution limit for a 457(b) plan includes both employer and employee contributions. So any employer contributions will limit the maximum amount of contributions employees can make from their salaries. *False.* Loans are only available from government 457(b) plans. However, employees can receive hardship distributions from both plans if they meet the criteria. *More info: bit.ly/457b638*
2. *True.* This option isn't available with tax-exempt 457(b) plans. However, the total contribution limit for a 457(b) plan includes both employer and employee contributions. So any employer contributions will limit the maximum amount of contributions employees can make from their salaries. *False.* Loans are only available from government 457(b) plans. However, employees can receive hardship distributions from both plans if they meet the criteria. *More info: bit.ly/457b638*
3. *True.* However, the total contribution limit for a 457(b) plan includes both employer and employee contributions. So any employer contributions will limit the maximum amount of contributions employees can make from their salaries. *False.* Loans are only available from government 457(b) plans. However, employees can receive hardship distributions from both plans if they meet the criteria. *More info: bit.ly/457b638*
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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.

Beekeeping farm feels the sting of H-2A penalties

Employer: Big River Honey LLC, Wewahitchka, FL.

Business: Beekeeping farm.

Law broken: Labor provisions of the H-2A visa program and the Migrant and Seasonal Agricultural Worker Protection Act.

Type of violation: The farm advertised various requirements U.S. workers had to meet that didn't apply to H-2A workers. The employer also didn't provide some workers with copies of their contracts. Others didn't receive pay statements for two months of work. In addition, H-2A workers had higher pay rates than U.S. workers for the same jobs.

Penalty: Big River Honey paid \$7,265 in penalties for the violations.

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

Not so sweet: Dairy Queen owes managers back pay

Employer: R&S Dairy Queens Inc., San Antonio.

Business: Franchise operator.

Law broken: Fair Labor Standards Act.

Type of violation: Managers received less than the minimum salary required for their positions under the law. Because they weren't exempt, they were also owed overtime for all hours worked over 40 in a workweek.

Penalty: The employer must pay \$358,200 in back wages and interest to 31 managers.

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

Misclassification & OT violations cost \$120K

Employer: Vladimir's Marble & Granite Inc., Honolulu.

Business: Flooring contractor.

Law broken: Fair Labor Standards Act.

Type of violation: Several employees were misclassified as independent contractors, so they didn't receive overtime pay. Other workers were paid straight-time rates for any hours they worked over 40 in a workweek.

Penalty: Nine employees received \$57,550 in back wages and an equal amount in damages. The employer also had to pay \$5,229 in penalties.

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

Employer pays \$71K for OT, recordkeeping issues

Employer: Miraido Village LLC, San Jose, CA.

Business: Owner/operator of luxury apartment rental property.

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

Type of violation: Despite workers averaging more than 50 hours of work a week, the employer failed to pay them overtime correctly. It also didn't keep accurate records of employees' earnings.

Penalty: Seven workers received \$71,338 in back wages and liquidated damages.

Government office: Dept. of Labor, Wage and Hour Division, San Jose, CA, office.

Tracking local laws and regs

■ PA county requires notice of paid sick leave ordinance

Allegheny County, Pennsylvania, has provided more information to employers about its new paid sick leave ordinance.

For example, employers must notify employees about their right to accrue and use paid sick leave – a sample notice is available from the county. In addition, the ordinance took effect Dec. 15, 2021, but fines for violations won't be imposed for one year from that date.

More info: bit.ly/pslnotice638

■ 2 NM cities raised minimum wage rates – but state rate applies

Employers in New Mexico will need to pay at least \$11.50 per hour in 2022. Although two cities raised their minimum wage rates for 2022, the state rate is higher and therefore should be followed.

In Albuquerque, the hourly rate was scheduled to be \$11.50 – and \$10.50 for employers providing healthcare and/or childcare benefits under certain circumstances. The rate set by Bernalillo County was \$9.45 per hour.

More info: www.dws.state.nm.us/Minimum-Wage-Information

■ Hazard pay requirement lasted just a few days in Maine city

In Portland, ME, at the first city council meeting of 2022, the COVID-related Emergency Order was rescinded, effective Jan. 13, 2022.

The Emergency Order had required hazard pay, calculated as 1.5 times the minimum wage rate.

The city's minimum wage increased to \$13 per hour for 2022, making the hazard pay rate – which remained in place for only a matter of days – \$19.50 per hour.

More info: bit.ly/portland638

■ Include minimum and maximum salaries with NYC job postings

The New York City Council passed legislation on Dec. 15, 2021, requiring job listings to include the minimum and maximum salary offered for any position located within the city. That includes advertised jobs, promotions and transfers. Assuming the mayor doesn't veto the legislation, it'll take effect in April 2022.

PRODUCTIVITY BOOSTERS

■ Looking for the best wording for employee notifications?

Federal, state or local laws may require you to send notices to employees regarding their pay. Or in some cases, you may voluntarily decide to beef up communications.

Before you spend time searching for just the right words, find out whether the governmental entity has already done the work for you. Example: In Notice 2021-53, the IRS provided model language employers can use in box 14, or in a separate statement, when preparing W-2s.

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

More info: legistar.council.nyc.gov

■ 13 points added to pre-contracts with independent contractors

Seattle's Independent Contractor Protections Ordinance, which goes into effect Sept. 1, 2022, says that a hiring entity must provide a written pre-contract disclosure when hiring an independent contractor.

Among the 13 points to be included are description of work, regular place of business and pay basis.

More info: bit.ly/seattle638

REAL PROBLEMS, REAL SOLUTIONS

We're careful to avoid surprise deductions on payday

It doesn't happen often.

But sometimes we're asked to make a deduction from an employee's pay so that person can reimburse us for something.

Perhaps it's a lost item.

We all know mistakes happen, and the employee might be eager to set things right.

Even so, we're careful about how we proceed.

For example, we have to take the requirements of state and federal minimum wage laws into consideration.

If we'd need to divvy up the total

deduction among multiple paychecks, we'd do that.

Checking state laws

Another step we take is to check state laws on deductions from employees' wages.

We know state laws frequently change, and we're located in several states.

A state may require an employer to get written authorization from an employee before making a deduction from pay.

But even if that's not necessary according to the law, we get the

employee's approval in writing ahead of time anyway.

We like to use a short and to-the-point statement.

We include the reason for the deduction and the amount.

Plus, we make sure the employee signs and dates the information prior to payday.

That way, in addition to following the law, we're preventing unpleasant surprises for employees.

And payday goes as smoothly as possible.

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

Interviewing new workers? 4 types of questions you should be asking

FINDING THE BEST NEW PAYROLL PROS TO FILL VACANT POSITIONS

Since the Great Resignation is still in full swing, it's key to get the right employees in the door to fill any job openings in Payroll.

To better wade through the sea of applicants and increase your chances of successfully onboarding and retaining new people, you need to start off on the right foot during the interview process.

Gaining insight into candidates

Once a candidate makes it to the interview stage, knowing exactly what questions to ask is crucial to finding the right fit.

Here's a rundown of the four best types of questions to have job-seekers answer. Their responses will provide insight into the types of workers they are – and help you make the most informed decision when hiring.

1. Informational questions. Asking candidates to tell you about themselves or their reasons for picking Payroll as a career can help

you find out general info about their experience and background as a Payroll pro. These questions also give you an overview of their strengths and weaknesses, along with what they've accomplished and their motivations for working in Payroll.

2. Functional questions. With these questions, you can delve deeper into the person's nitty-gritty knowledge of Payroll. Ask them specifically about their experience with processing paychecks and their familiarity with Payroll laws. Other good questions include: *How well do you work with other departments?* and *What kind of Payroll tech are you familiar with?*

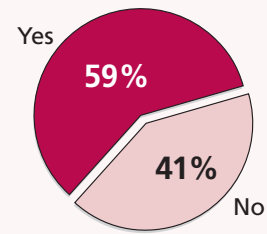
3. Behavioral questions. These questions will give you an idea of how candidates will react to typical experiences in Payroll. Having job-seekers discuss how they'll tackle year-end prep or how they'd respond to a big Payroll change helps you determine if they're adaptable and can think on their feet.

4. Situational questions. Similar to behavioral questions, these

WHAT PAYROLL PROS TOLD US

Omicron's impact on Payroll

Do you agree that you'd need to lay off or furlough employees should an outbreak of Omicron occur in your office?



Source: Society for Human Resource Management survey, 12/21

With Omicron cases spiking as winter progresses, it's wise to expect the best, but prepare for the worst, including dealing with more terminations and layoffs in 2022.

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

give you a better idea of how a job-seeker would handle a specific situation they could encounter in Payroll. Topics could include talking to an angry employee about a paycheck error, discovering a mistake during an audit or handling Payroll in an emergency.

More info: bit.ly/interview638

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

No. The court sent the case back to the Workers' Compensation Appeal Board and ultimately to the workers' compensation judge for one reason: There were inconsistencies between the employer's statement of wages and its payroll records.

The employee had sustained injuries when walking into work one day.

At the time of the injury she was filling in for her supervisor and earning \$12 per hour. However, as the employer explained, she was only supposed to be in that role temporarily. She'd been in the position for three months at the time of the injury.

The plan was that, once the supervisor returned from medical leave, the employee would resume her normal position, earning \$9.94 per hour.

Based on the employer's statement of wages, she should have received \$249.22 per week for her injuries, as opposed

to \$495.50, which the workers' compensation judge said she should be paid.

The court might have agreed with the employer regarding the lower rate if its payroll records hadn't contradicted details found in the statement of wages.

Analysis: Maintaining true-to-life payroll records

Do your payroll records contain accurate, up-to-date information based on employees' work situations? Sometimes employment arrangements intended to be temporary extend longer than planned.

Check with HR and supervisors periodically to find out if any temporary wage rates, work hours, etc., have become long-term or even permanent.

Maintaining payroll records that reflect reality can help your company win legal battles.

Cite: *Westfield v. Nutrition, Inc. (Workers' Compensation Appeal Board)*, No. 65 C.D. 2021, Commonwealth Court of Pennsylvania, 12/22/21. Note: Dramatized for effect.

Industry news you can use

■ Cultural nonprofits can utilize volunteers, California court said

After the American Film Institute, a **nonprofit organization**, held one of its annual film festivals in Los Angeles, an event volunteer sued. She claimed she and other individuals like her should have been paid as employees. After all, she worked for four days, 12 to 14 hours each day, without any pay. Other volunteers put in more time.

The American Film Institute wasn't a religious or charitable organization serving the needy, she reasoned. But a California appeals court held that cultural nonprofit entities can utilize unpaid volunteers.

More info: www.courts.ca.gov/opinions/documents/B307220.PDF

■ Canceled: Reg that governed hiring of certain ag workers

The Dept. of Labor (DOL) has rescinded a reg affecting employers of **sheep and goat herders**.

In a final rule adopted Dec. 16,

2021, the DOL canceled the reg that had been in place for hiring H-2A visa holders to fill these herding positions.

More info: bit.ly/herders638

■ DOL 'revs up' compliance efforts focused on auto repair industry

In FY 2021, after conducting 546 investigations of the **auto repair** industry – and recovering \$4.3 in back wages for 3,564 employees – the Dept. of Labor (DOL) has launched a compliance initiative.

It's called "Essential Workers – Essential Protections."

Payroll may want to take proactive steps, such as reviewing some of DOL's many fact sheets, including *Fact Sheet #76: Car Wash and Auto Detailing Establishments Under the Fair Labor Standards Act (FLSA)*. One typical problem noted in this fact sheet? Failing to calculate overtime hours on a workweek basis, as required by the FLSA, even when employees are paid on a bi-weekly or semi-monthly basis.

More info: bit.ly/auto638

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 quickly highlight specific entries in Excel?

Q: I want to highlight certain specific deductions in an Excel spreadsheet so that they stand out when I open the document. Is there any way I can do this without going in and selecting each one manually?

A: To highlight all instances of a specific type of entry in an Excel document, go to Find & Select (or hit Ctrl + F), then click on the Find tab. Type the item you want highlighted (e.g., Garnishments), and then click

Find All. Click on a value, then press Ctrl + A to select all the cells that pop up, and click Close. Then, find the Fill Color button on the menu bar (located under the font selections) and click on the icon to choose the color you want for the highlight. The selected cells will automatically be highlighted in that color. You can also use the same process if you need to clear the highlighted text from the spreadsheet. But instead of selecting a color in the Fill Color menu, click on "No Fill" to remove all the highlights.

More info: bit.ly/highlight638

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 Payroll-related publications contains updates.

- *General Instructions for Certain Information Returns (Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, and W-2G)*. Revised 2021. Posted 12/17/21.
- *Form 8889, Health Savings Accounts (HSAs)*. Revised 2021. Posted 12/17/21.
- *Publication 531, Reporting Tip Income*. Revised 2021. Posted 12/20/21.
- *Instructions for Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding*. Revised 2022. Posted 12/20/21.
- *Publication 4163, Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns Tax Returns*. Revised December 2021. Posted 12/20/21.
- *Form W-2, Wage and Tax Statement*. Revised 2022. Posted 12/20/21.
- *Form W-3, Transmittal of Wage and Tax Statements*. Revised 2022. Posted 12/20/21.
- *Form 944, Employer's ANNUAL Federal Tax Return*. Revised 2021. Posted 12/21/21.
- *Instructions for Form 944*. Revised 2021. Posted 12/21/21.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-638

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

- **WITHHOLDING:** The California Employment Development Dept. has released the 2022 *California Employer's Guide*. The publication contains over 100 pages of key Payroll information. Topics covered include forms and due dates for 2022; the federal Form W-4 and state DE 4; and more. **More info:** edd.ca.gov/pdf_pub_ctr/de44.pdf

GEORGIA

- **INTERNAL REVENUE CODE:** Now that HB 7EX has become law, when the state tax code refers to the Internal Revenue Code (IRC) that means the IRC in effect on March 11, 2021. **More info:** www.legis.ga.gov/legislation/60918

LOUISIANA

- **WITHHOLDING:** The Dept. of Revenue has revised the income tax withholding tables for 2022. This comes after voters approved Constitutional Amendment 2 on Nov. 13, 2021. A maximum individual income tax rate of 4.75% was put in place (down from 6%). At the same time, the amendment eliminated the deductibility of federal income taxes paid for state income tax purposes – a change affecting both individual and corporate income taxes. **More info:** bit.ly/louisiana-638

MISSOURI

- **WITHHOLDING:** The *State of Missouri Employer's Tax Guide* has been updated for 2022. As noted in the publication, the flat percentage rate for withholding

from supplemental wages has decreased to 5.3%. Last year, the rate was 5.4%. **More info:** dor.mo.gov/forms/4282_2022.pdf

NEW YORK

- **PAID FAMILY LEAVE:** The Workers' Compensation Board has amended its regs to clarify the number of intermittent leave days eligible employees can take. According to a rule proposed May 26, 2021, and finalized Oct. 6, 2021, the number of intermittent leave days should be calculated using the average number of days employees work per week. That means employees working six or seven days per week will no longer be capped at 60 days of intermittent leave as of Jan. 1, 2022. **More info:** dos.ny.gov/state-register
- **SHARED WORK PROGRAM:** Thanks to S17A, employees can ask employers to submit an application for a shared work program. That may be helpful for employers looking to avoid a workforce reduction or seeking to re-hire. **More info:** www.nysenate.gov

NORTH CAROLINA

- **INTERNAL REVENUE CODE:** The state conforms to the Internal Revenue Code as enacted as of April 1, 2021. That's due to recent legislation, SB 105. **More info:** bit.ly/nc-638
- **WITHHOLDING:** For 2022, the supplemental withholding rate has decreased to 5.09% (from 5.35%). That's according to the 2022 *Income Tax Withholding Tables and Instructions for Employers*. **More info:** www.ncdor.gov/media/12821/open

OHIO

- **SCHOOL DISTRICT TAXES:** The Dept. of Taxation has released the school district tax rates for 2022. Two new school districts have been added – Pike-Delta-York LSD (1%)

and Sidney CSD (0.75%). One school district, the Preble-Shawnee LSD, has changed its rate to 1.75% (up from 1%). **More info:** bit.ly/oh-638

RHODE ISLAND

- **WITHHOLDING:** The Dept. of Revenue has released the 2022 *Rhode Island Employer's Income Tax Withholding Tables*. **More info:** bit.ly/rhodeisland-638

VIRGINIA

- **DATA BREACH:** The Virginia Dept. of Taxation says if your company experiences a data breach that involves employees' personal identity info or tax-related data exposures you must take two steps ASAP. They are to notify the Virginia Attorney General's Office and inform affected employees. **More info:** www.tax.virginia.gov/report-data-breach

THE LIGHTER SIDE

You may feel pressure to meet deadlines as the end of the day, month or year approaches.

But babies feel no such pressure.

Take the case of twins recently born in California.

Alfredo Antonio Trujillo was born on Dec. 31, 2021 – at 11:45 p.m. to be exact.

His sister, Aylin Yolanda Trujillo, wasn't in a hurry.

She entered the world 15 minutes after her twin brother, at precisely midnight on Jan. 1, 2022.

So, the twins were born not only on different days but in different years.

The odds of that are about one in 2 million, making this brother-sister duo extra special.

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