

The most current information on how Payroll professionals can avoid legal and procedural pitfalls, in a fast-read format, twice a month.

March 14, 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.

■ ANNUAL RETURN FOR RAILROAD EMPLOYERS

Forms: CT-1, *Employer's Annual Railroad Retirement Tax Return*, and CT-1X, *Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund*.

Background: The forms are used by railroad employers to report taxes imposed by the Railroad Retirement Tax Act.

Comments due: 3/15/22.

Cite: *Federal Register*, 1/14/22.

■ QUALIFIED DEFERRED COMPENSATION PLANS

Item: Application for Determination for Terminating Plan, and Distributable Benefits from Employee Pension Benefit Plans.

Background: Employers can take an income tax deduction for contributions to their qualified deferred compensation plans.

Comments due: 4/1/22.

Cite: *Federal Register*, 1/31/22.

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

New IRS regs on SECURE Act: Impact on salary deferrals

■ Law covers 401(k), 403(b) and 457 plans

The IRS has released proposed regs on the Setting Every Community Up for Retirement Enhancement (SECURE) Act. If your company offers a defined contribution plan as an employee benefit, the regs contain important info for you.

The regs go into detail on the SECURE Act of 2019, which brought many changes to retirement plans.

One such change? Increasing the age – from 70 1/2 to 72 – used to determine when required minimum distributions (RMDs) from 401(k), 403(b), 457 and certain other plans must begin.

So, someone who turned 72 in 2021 and who's retired has until April 1, 2022, to start taking RMDs.

But of course, there are exceptions. An individual who reached 72 in 2021 but who hasn't retired faces that same April 1, 2022, deadline for RMDs if:

- the plan requires that, or
- that person owns more than 5% of the business sponsoring the plan.

Action step for Payroll: Give employees receiving RMDs the option to continue making salary deferrals if your plan permits them. Otherwise, your plan's qualified status will be in jeopardy.

Other changes to know

Here are other provisions of the SECURE Act that affect Payroll:

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

No cash refunds for unused fringe benefits, IRS says

If you've been making pre-tax deductions from an employee's pay for a fringe benefit and that person leaves the company, what happens to funds left over in the account?

The IRS answered that question in a recent Chief Counsel Advice (CCA).

Pre-tax deductions already made

The details: An employer provided qualified transportation fringe benefits (QTFB) to an employee under a compensation reduction agreement.

Money accumulated in her account after the COVID-19 pandemic hit and she was commuting less.

So she asked her employer for a cash refund.

But that wasn't an option.

After all, a cash payout would make the fringe benefit taxable, the IRS said in CCA 2021-0027.

That was the case regardless of whether the benefit was provided in addition to an employee's regular wages or as part of a compensation reduction agreement.

An employer can't offer QTFB to someone whose employment has ended, the IRS also confirmed.

More info: www.irs.gov/pub/irs-wd/21-0027.pdf

Violations, including time off instead of OT, cost \$125K in back wages

■ EMPLOYER ALSO OWED \$106K FOR PREVAILING WAGE VIOLATIONS

After employees working for a subcontractor in Iowa had put in more than 40 hours in a workweek, they received time off in lieu of overtime – and that was just one of the problems investigators found.

AJ Plumbing, Des Moines, IA, had to pay the employees \$19K in back wages for violating the overtime requirements of the Fair Labor Standards Act (FLSA).

The U.S. Dept. of Labor (DOL) said the subcontractor, which was working under a federal contract, also violated the Davis Bacon and Related Acts.

The employer paid 34 workers the pipe layer rate, but they had performed plumbing work.

Paying the incorrect prevailing wage rate for work done on the National Housing Act project meant

AJ Plumbing also had to pay \$106K in back wages.

All told, the employer owed \$125K, the DOL said.

Compliance reminders

Payroll can remind supervisors and managers that even if nonexempt employees prefer comp time instead of overtime pay, the FLSA doesn't allow that for private-sector employers.

And if you're handling payroll for a company that works on federal contracts, double-check whether the Davis-Bacon poster and applicable wage determination are in a place where employees will see them on the job site.

More info: www.dol.gov/newsroom/releases/whd/whd20220217-1

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.

■ TIMELY NOTICE OF COBRA RIGHTS GIVEN TO RETIREE?

"I just got a call from Melanie Morten," Payroll Manager Pat Gray told HR Manager Cheryl Jones.

"Apparently, she went to a doctor's appointment and tried to use her health insurance card," Pat recounted.

"She's retired, and she doesn't have coverage," said Cheryl.

"That's what they told her," Pat relayed. "I explained to her that if she wanted COBRA, it'd cost her \$480 per month, and she'd owe \$2,900 in back payments."

18 months had passed

"Melanie's whole employment situation was a mess," Cheryl said. "First, she was placed on administrative leave for a month. Then, she took a bunch of sick leave and other leave – for how long?"

"Almost a year," said Pat.

"When that ran dry, we let her take unpaid leave and even covered her \$200 monthly premiums for six months or so," Cheryl said.

"I know," sighed Pat, "but even though we did all that for her for about 18 months, Melanie told me she thinks we denied her rights under COBRA because we never officially notified her she could continue coverage."

The former employee sued under COBRA, pointing to her unpaid leave and retirement as qualifying events. She wanted the employer to pay her medical bills, too.

The employer fought back.

Did it win?

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

IRS regs ...

(continued from Page 1)

1. Higher contribution percentage.

Thanks to the SECURE Act, the allowable contribution percentage increased from 10% to 15% for organizations with safe harbor retirement plans that utilize automatic enrollment.

To avoid surprises, Payroll may want to give employees a heads-up about any changes to their salary deferrals.

2. Long-term, part-timer eligibility.

Under the SECURE Act, employees who complete at least 500 hours of service per year can't be excluded from participation in retirement plans. Note: They have to put in the 500 hours for three consecutive 12-month periods.

For Payroll, the change means tracking part-time employees' hours starting Jan. 1, 2021.

Then, as of 2024, you may need to allow them to make contributions through salary deferrals. But employer contributions aren't required.

More info: bit.ly/retirement641

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

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Recent court case throws spotlight on timekeeping policies and technology

■ EMPLOYEES USED COMPUTERS WITH PROGRAMS THAT MONITORED WORK

If employees exceed their scheduled shifts by a few minutes a day and supervisors know about it, that may add up to overtime.

A recent court case looked at whether supervisors at one company knew about extra time worked. The employees who brought the Fair Labor Standards Act case argued their computers ran programs that made time-worked data available to supervisors at the company.

Three programs of interest:

- IEX – a computer calendar program which contained their work schedules
- CTI – used to activate their workstation telephone so they could answer customer calls, and
- HVD – this system captured their login and logout data.

Less than 10 minutes over

The company had a timekeeping policy called Trade Time. According to the policy, if employees exceeded their shifts by less than 10 minutes, that was considered “trade time.” Employees had to report the extra

minutes and then trade them out on a subsequent day in the same week. So, if someone worked nine extra minutes on Monday, then in the same workweek he or she would need to:

- arrive to work nine minutes late
- add nine minutes to the beginning or end of a lunch break, or
- leave work nine minutes early.

If employees didn’t use their trade time – e.g., because they worked the extra minutes on a Friday – and they put in more than 40 hours in the workweek, they received overtime pay.

Problem was, employees didn’t always report minutes under the Trade Time policy. They said the company knew when they worked overtime, though, and therefore should have paid them for it.

A supervisory team used the three computer programs to monitor if they stuck to their schedules, employees argued. But the company pointed out that the monitoring wasn’t done for payroll purposes. The court didn’t rule one way or the other, instead saying a jury would need to settle the dispute.

Cite: *Sams et al. v. Southwestern Bell Telephone*, Case No. SA-20-CV-00684-JKP, U.S. D.C., W.D. Texas, San Antonio Division, 2/22/22.

What counts as an electronic signature? IRS explains

Sign here! Signing documents digitally has become mainstream in the past couple years. Even the IRS has a long list of forms it’ll let people e-sign, at least temporarily.

But what’s acceptable?

After all, digital signatures can come in many forms, generated with a wide range of technologies.

5 digital methods

The IRS recently updated its policy on e-signatures. Digital signatures will be allowed until Oct. 31, 2023.

As for acceptable electronic

signature methods? The IRS listed five to choose from:

1. typed name on a signature block
2. scanned or digitized image of a handwritten signature that’s attached to an electronic record
3. handwritten signature inputted via an electronic signature pad
4. handwritten signature, mark or command inputted via a display screen with a stylus device, and
5. signature created by a third-party software.

More info: bit.ly/electronic641

NEWS YOU CAN USE

■ MARCH 31, 2022: E-VERIFY RECORDKEEPING DEADLINE

If you want to preserve E-Verify records dated on or before Dec. 31, 2011, better act fast.

Those records are more than 10 years old, so U.S. Citizenship and Immigration Services (USCIS) will dispose of them soon.

You have until March 31, 2022, to download case info from the Historic Records Report, USCIS said recently.

More info: www.uscis.gov/i-9-central/covid-19-form-i-9-related-news/e-verify-records-disposal

■ GARNISHMENTS FOR FEDERAL STUDENT LOANS? NOT YET

Payroll hasn’t seen any wage garnishments for defaulted federal student loans since the beginning of the pandemic – and you won’t see any for a while longer.

That’s because the U.S. Dept. of Education has again extended the pause on student loan repayment, interest and collections.

This latest 90-day extension will run through May 1, 2022.

More info: bit.ly/garnishments641

■ INTEREST RATES GOING UP FOR SECOND QUARTER

The IRS has increased interest rates for the second quarter of 2022, as announced in Revenue Ruling 2022-05.

Here’s what you’ll see:

- 4% for overpayments (3% for corporations) – up from 3% and 2%, respectively
- 1.5% for the portion of an overpayment exceeding \$10,000 – up from 0.5%
- 4% for underpayments – up from 3%, and
- 6% for large corporate underpayments) – up from 5%.

More info: www.irs.gov/pub/irs-drop/rr-22-05.pdf

TEST YOUR KNOWLEDGE

■ Personal use of a cell phone company provided: Taxable?

Some workers may use cell phones your company provided so they'd be reachable. But what if they use the cell phones for personal reasons? Is that a taxable fringe benefit? Test your knowledge by answering True or False to the following:

1. If your company provides an employee with a cell phone for substantial business reasons, personal use of that phone is excludable from their income as a *de minimis* fringe benefit.
2. An example of providing an employee with a cell phone for business reasons would be if they need to speak with clients in different time zones.
3. If you provide a cell phone to promote goodwill, you don't have to withhold taxes.
4. Other similar telecommunications equipment can't be counted as a cell phone, according to the IRS.

ANSWERS

Answers to the quiz:

1. True. Accounting for personal use of the cell phone would be unreasonable or administratively impracticable, the IRS says.
2. True. Being available to speak with a client outside of the normal workday is a substantial business reason to provide an employee with a cell phone. Another example would be if your company needs to be able to reach the employee at all times for work-related emergencies.
3. False. A cell phone provided to promote goodwill is a taxable fringe benefit – same goes if the phone is used to boost morale or attract prospective employees.
4. False. You may be able to exclude similar devices from income. More info: www.irs.gov/pub/irs-pdf/p15b.pdf

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.

Back wages owed for OT, recordkeeping violations

Employer: Vision Link International LLC, Livonia, MI.

Business: Fleet productivity services.

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

Type of violation: Vision Link misclassified employees as independent contractors and that led to overtime violations. Also, the company didn't keep accurate time and payroll records.

Penalty: \$61,555 in back wages for 60 workers who inspected and packed parts.

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

Florida bar & grill kept portion of credit card tips

Employer: Johnny D's Beach Bar & Grill, Flagler Beach, FL.

Business: Restaurant.

Law broken: Fair Labor Standards Act's tip, overtime, child labor and recordkeeping provisions.

Type of violation: Johnny D's kept portions of employees' credit card tips to cover cash drawer shortages and customer walkouts. Therefore the restaurant couldn't take the tip credit and instead had to pay minimum wage. Other problems included paying improper overtime rates and not keeping accurate records of minor employees' dates of birth.

Penalty: \$26,645 in back wages for 16 workers and \$1,864 in civil money penalties.

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

Tire company hits red light after FLSA investigation

Employer: Dorsey Tire Co., Pooler, GA.

Business: Tire and automotive repair.

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

Type of violation: When calculating overtime rates, the company didn't include commissions or time spent on after-hours service calls. Investigators also found recordkeeping problems.

Penalty: \$79,505 in back wages for 72 workers at locations in Georgia and South Carolina.

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

Work hours didn't match what contracts stated

Employer: Roberto Perez Farms and Perez Bros Farms Inc., Turlock, CA.

Business: Agriculture.

Law broken: Immigration and Nationality Act.

Type of violation: The farms didn't provide H-2A workers with at least three-quarters of the work hours guaranteed on their contracts. Among the other violations, they made illegal deductions from pay and failed to maintain complete records as part of the H-2A agricultural worker program.

Penalty: \$82,616 in back wages for 92 workers and \$36,765 in civil money penalties.

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

Tracking local laws and regs

■ Should city have levied tax from employees working remotely?

When COVID-19 hit, St. Louis still required employers to withhold the payroll tax from employees' wages, even if employees were working remotely outside the city.

But now, AT&T has filed a lawsuit against the city and the Collector of Revenue, saying the 0.5% tax was improperly imposed. The company seeks a refund of the \$218,634 it withheld for the payroll tax.

Cite: St. Louis Post-Dispatch, bit.ly/remotework641

■ Tax due for sales reps, remote employees in these districts

In Oregon, the rates have increased for two transit districts. The 2022 rates are as follows:

- TriMet Transit District (Clackamas, Multnomah and Washington counties): 0.007937, and
- Lane Transit District: 0.0077.

If employees are earning wages in these districts – for example, traveling sales reps or employees working from home – Payroll must pay taxes to the Dept. of Revenue.

More info: www.oregon.gov/dor/forms/formspubs/transit-payroll-taxes_211-503.pdf

■ Challenge continues against health coverage mandate

Will the U.S. Supreme Court review a case that revolves around Seattle's health coverage mandate?

That mandate requires hotels with at least 100 rooms to enroll employees in the state's insurance exchange, even if they have other coverage.

In 2021, the Ninth Circuit Court of Appeals dismissed the ERISA Industry Committee's (ERIC's) challenge to the mandate. So now ERIC has asked the High Court to get involved.

More info: bit.ly/erisa641

■ Minimum wage reaches new elevation at Houston airports

Houston airport workers will soon need to be paid more.

According to an executive order signed by the mayor, the hourly minimum wage for air carriers and concessionaires will increase to \$13 on April 1, 2022; \$14 on Oct. 1, 2022; and \$15 on Oct. 1, 2023.

PRODUCTIVITY BOOSTERS

■ Maximize work-from-home time: 6 organizational tips

Staying (or getting) organized lets you maximize your work time, and that's especially important on any days you work remotely. Some of these tried-and-true ideas may help:

- Create a work schedule.
- Focus on one task at a time.
- Make a work-friendly space.
- Organize your computer toolbar.
- Clean outside of work hours.
- Listen to calming music.

Cite: "How to Stay Organized When You Work from Home," indeed.com

More info: bit.ly/houston641

■ Sick time for vaccine-related reasons in Minneapolis

In Minneapolis, employees have the right to use available sick time if they choose to get a COVID-19 vaccine during work hours.

They can use their sick time to receive a vaccine and to recover from vaccine side effects, the Minneapolis Dept. of Health said.

More info: bit.ly/minneapolis641

REAL PROBLEMS, REAL SOLUTIONS

Employees stayed with us 78% longer thanks to on-demand pay

Like most organizations, we wanted to do everything possible to retain our employees.

They were valuable to us.

In the healthcare industry – in the middle of a pandemic, no less – that was definitely the case.

As for Payroll, our efforts included getting employees paid on time, of course.

But we began to re-think the issue of "on time."

Yes, we needed to follow federal and state requirements on number of days to pay employees after the end of a pay period, for example.

That said, when multiple employees started asking us about on-demand pay, we took notice.

Timely pay for them had less to do with federal and state laws and more to do with money in their bank accounts when their bills came due.

Accessing wages they've earned

With on-demand pay – or as it's sometimes called, earned wage access – employees can access wages they've earned before payday.

At first, we tried one vendor but then switched to a second one for several reasons, including that

employees could interact directly with the second vendor.

In six months, more than half of our workforce had signed up.

Offering on-demand pay to our employees helps *them* because they have their pay when they need it. And it helps *us*. Employees enrolled in the service stayed 78% longer than those who weren't.

(Adapted from DailyPay, "Senior Care Facility Chain, Phoenix Senior Living, Switches to DailyPay for Seamless On-Demand Pay Solution," dailypay.com, last accessed Feb. 16, 2022)

Stressed? 7 ways Payroll departments can dial down worry and tension

■ MAKE SURE THE DEMANDS OF THE JOB DON'T LEAD TO BURNOUT

From the demands of staying in compliance with so many new employment laws to the abrupt changes the pandemic dropped on workplaces, many Payroll pros have noticed their departments' stress levels have significantly increased.

And of course, chronic stress puts employees at greater risk of burnout.

For the sake of everyone in the department – including you – take a moment to consider these seven steps you can take to turn the dial down on worry and tension.

Ideas that may help

According to Robert Half, here's what you can try:

1. **Plan meetings with efficiency in mind.** Deadline pressure in Payroll is common, and no one wants to be called into a meeting that's a waste of time. So, some good questions to ask yourself as you're planning your next meeting are: *Is this meeting really necessary? Who*

needs to attend? and What's the agenda? Make changes as necessary.

2. **Promote wellness at work.** Your company may already offer physical and mental health benefits, but as a recent survey revealed, only about one-third of workers utilize them. They may need a little nudge.

3. **Offer flexible work arrangements.** Some top perks employees want are flexible schedules and the ability to work remotely. Consider if Payroll staffers could be offered remote work arrangements, flextime or compressed workweeks.

4. **Enhance collaboration with tech tools.** Feeling disconnected and isolated in an organization adds to stress. Look for technology that enhances idea-sharing and communication in Payroll.

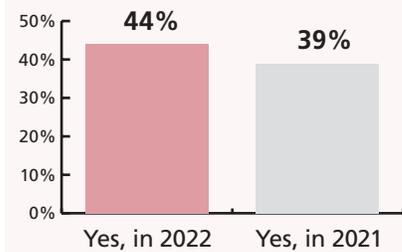
5. **Bring in reinforcements.** Extra departmental support may be needed during your busiest times of year.

6. **Assess your own work habits.** If you're constantly working, others may see that and follow your lead. The next time you want to send

WHAT PAYROLL PROS TOLD US

From paycheck to savings

Do you have enough savings to cover an unplanned expense of \$1,000?



Source: Bankrate survey of 1,004 U.S. adults

Remind employees they can split direct deposit into multiple accounts, as they may want to put a set portion of their earnings into savings accounts.

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

that late-night or weekend email, think twice.

7. **Foster open communication.** We all know the past few years have been tough, but employees may not realize they can open up about that. A little empathy can go a long way to reducing stress.

More info: bit.ly/stress641

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

No, the employer didn't win. It didn't provide the employee with notice that she could continue her insurance coverage, a federal appeals court said. Failing to give her timely notice was a violation of her rights under COBRA.

The employee was placed on paid administrative leave for one month, and then she used sick leave and other forms of leave for nearly a year.

With her available leave exhausted, she was put on unpaid leave for about six months. She argued that being on unpaid leave was a qualifying event, but the appeals court said no.

After all, the court reasoned, although her hours were reduced, there was no loss of coverage. The employer even paid her portion of the insurance premiums, costing \$200 per month, while she was on unpaid leave.

However, when she retired, that was a qualifying event, the court said. That's when they stopped paying her health

insurance premiums. The employer had 44 days from the date of her retirement to provide COBRA notice.

It wasn't until six months after her retirement, when her coverage was declined at a doctor's visit, that she contacted Payroll and got the details. That is, she'd owe \$2,900 for the back payments on the missed insurance premiums and, going forward, she'd owe \$480 per month.

The court shut down her attempt to recoup her medical bills, though. Reason: Her medical bills added up to less than her unpaid premiums.

Analysis: When it's time to notify employees

Meeting COBRA requirements can get tricky when someone's out on unpaid leave.

At a minimum, once employees hit retirement, work with HR to make sure they're notified of COBRA continuation coverage by the deadline.

Cite: *Randolph v. East Baton Rouge Parish School System*, No. 21-30022, CA5, 11/30/21. Note: Dramatized for effect.

Industry news you can use

■ California task force focusing on prevailing wage payments

The California Dept. of Industrial Relations' Labor Enforcement Task Force is leading a new initiative.

One of the goals? To ensure that employees on publicly funded construction sites are paid the prevailing wage.

The task force will also make sure that workers' compensation insurance is provided to employees on public works projects.

More info: www.dir.ca.gov/DIRNews/2022/2022-12.html

■ Benefits for first responders in MI with 60 months of service

In Michigan, forest fire officers and fire/crash rescue officers can submit claims for certain cancers they develop to the First Responder Presumed Coverage Fund.

That's thanks to HB 4171, which took effect Jan. 1, 2022.

The first responders would suspend

workers' comp claims they have against their employers to receive benefits from the Fund. To be eligible, they need 60 months or more of active service.

More info: bit.ly/michigan641

■ 60-minute breaks if agricultural employees' workweeks are long

The Colorado Dept. of Labor and Employment has adopted Agricultural Labor Conditions Rules.

They take effect May 1, 2022.

In addition to breaks other employees must receive, the rule requires that agricultural workers – but not range workers – be given one additional paid break of 60 minutes for a workweek in which they work over 60 hours. That's increased to two 60-minute breaks if the employees work over 70 hours.

Use the same pay rate as you would for other breaks.

More info: cdle.colorado.gov/laws-regulations-guidance

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:

Are real-time payments and Same Day ACH different?

Q: We sometimes need to make a quick transaction with our financial institution, such as to issue someone's wages. Are real-time payments and Same Day ACH different?

A: Yes. Real-time payments are made over the RTP network, facilitated by The Clearing House. As for Same Day ACH, it's a service provided by the ACH Network, managed by Nacha. The RTP network operates 24/7, even on holidays. You can send immediate

payments. Once a sending financial institution authorizes and submits a payment to the RTP network, it can't be revoked or recalled. RTP network payments clear and settle individually with immediate finality. But with Same Day ACH, you make payments during one of three daily processing windows, and bank holidays are followed. Reversals are allowed, if made according to the rules. Same Day ACH payments clear in batches, and after clearing, then they're finally settled.

More info: nacha.org, theclearinghouse.org

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 publications contains Payroll-related updates.

- Form W-2AS, *American Samoa Wage and Tax Statement (Info Copy Only)*. Revised 2022. Posted 1/14/22.
- Form W-2GU, *Guam Wage and Tax Statement (Info Copy Only)*. Revised 2022. Posted 1/14/22.
- Form W-2VI, *U.S. Virgin Islands Wage and Tax Statement (Info Copy Only)*. Revised 2022. Posted 1/14/22.
- Publication 15-A, *Employer's Supplemental Tax Guide (Supplement to Circular E, Employer's Tax Guide, (Publication 15))*. Revised 2022. Posted 1/20/22.
- Publication 51, *Circular A, Agricultural Employer's Tax Guide*. Revised 2022. Posted 1/20/22.
- Form 943-X, *Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund*. Revised 2022. Posted 1/20/22.
- Publication 15-B, *Employer's Tax Guide to Fringe Benefits*. Revised 2022. Posted 1/31/22.
- Form W-4P, *Withholding Certificate for Periodic Pension or Annuity Payments*. Revised 2022. Posted 1/31/22.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-641

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

- **MEALS AND LODGING:** The Employment Development Dept. has released the meals and lodging values for the purposes of unemployment insurance, disability insurance and the employment training tax. The 2022 values are: breakfast (\$2.65), lunch (\$4), dinner (\$6.30) and other meals (\$4.65). **More info:** bit.ly/california641
- **PAY DATA REPORT:** The 2022 deadline is approaching to file the state's pay data report. The Dept. of Fair Employment and Housing began collecting the pay and hours-worked data last year from employers with 100 or more employees. This year, reports will be by due April 1, 2022. **More info:** www.dfeh.ca.gov/paydatareporting/faqs

ILLINOIS

- **EQUAL PAY:** Private businesses with 100 or more employees will need to report certain payroll info to the Illinois Dept. of Labor (IDOL). The changes take effect March 24, 2022. When it's time for your business to register, the IDOL will communicate with you, and then you'll have at least 120 days to complete the Equal Pay Act Registration Certificate. **More info:** bit.ly/illinois641

INDIANA

- **INCOME TAX:** The Indiana Dept. of Revenue has updated *Information Bulletin #119*, addressing provisions of the Internal Revenue Code not followed by Indiana and clarification of related items. The

revision, dated February 2022, covers student loan payments provided by an employer, business meal deductions, the increase in the exclusion for dependent care expenses and many other topics. **More info:** www.in.gov/dor/files/ib119.pdf

KENTUCKY

- **OCCUPATIONAL TAX:** You can check the tax rate for each occupational tax district at the Kentucky Secretary of State's website. **More info:** app.sos.ky.gov/occupationaltax

NEW JERSEY

- **FILING RETURNS:** If you use a software program to prepare returns for the IRS, now you can upload the same electronic returns directly to New Jersey. That includes year-end forms such as W-2s, 1099s and 1095s. Employers will no longer need to manually enter info into a separate document, the Dept. of the Treasury explained. **More info:** bit.ly/newjersey641

NEW YORK

- **FAMILY LEAVE:** Starting Jan. 1, 2023, employees can take paid family leave to care for their siblings, due to SB 2928-A. That includes biological siblings, adopted siblings, step-siblings and half-siblings. Currently, the state allows employees to take paid family leave to care for spouses, domestic partners, children, step-children, parents, parents-in-law, grandparents and grandchildren with a serious health condition. **More info:** www.governor.ny.gov/news, 11/1/21.

WASHINGTON

- **TRAVEL TIME:** Employees should have been paid for out-of-town travel, a Washington appeals court ruled, agreeing with the Washington Dept. of Labor & Industries. The

Port of Tacoma had sent several employees on business trips to China, and although it'd reached an agreement beforehand with the workers' union to pay them for eight hours per day, straight time, the court said the entire trip was "hours worked." **More info:** casetext.com/case/port-of-tacoma-v-sacks

WISCONSIN

- **FRINGE BENEFITS:** In Wisconsin, as on the federal level, the limit for qualified transportation fringe benefits has increased for 2022. The amount that may be excluded from employees' wages is \$280 per month for qualified parking and \$280 per month for commuter highway vehicle transportation and transit passes. **More info:** bit.ly/wisconsin641

THE LIGHTER SIDE

Good recordkeeping can really pay off – sometimes in the thousands of dollars.

That's what one North Carolina woman learned recently.

After Ana Maya bought a lottery ticket, she got some exciting news: She'd won \$532,234.

Only problem, she was in the middle of a move and couldn't figure out where she'd put her Quick Pick ticket. She searched for months, knowing she had only 180 days from the date of purchase, Sept. 9, 2021, to claim her prize.

Finally, with only weeks until the ticket expired, she found it.

The half-million dollar ticket was tucked into the pages of one of her old high school notebooks, her place of "safekeeping."

Cite: NC Education Lottery, News Blog, 2/17/22.