

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

April 13, 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.

■ **CREDIT FOR FIRST \$15,000 OF EMPLOYEES' WAGES**

Item: Form 8844, *Empowerment Zone Employment Credit*.

Background: Employers that hire employees who live and work in one of 11 empowerment zones can receive a tax credit for the first \$15,000 of the wages paid to them.

Comments due: 5/23/22.

Cite: *Federal Register*, 3/22/22.

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

Check your I-9s: You have until July 2022 to update List B info

■ What to do if someone's employed or has left

Heads up: You may need to update certain Forms I-9 by July 31, 2022.

Specifically, some employees at your company may have presented an expired List B document between May 1, 2020, and April 30, 2022.

The Dept. of Homeland Security (DHS) had allowed employees to show their employers expired documents under a temporary policy.

That's because people experienced difficulties renewing documents during the COVID-19 pandemic.

Although DHS extended the temporary policy several times over the past couple years, the agency now says document-issuing authorities have reopened, and it's time to make sure

you have the proper documentation on file.

Here's how you do that under three different situations:

Which situation applies?

If the employee's Form I-9 was completed between May 1, 2020, and April 30, 2022, with an expired List B document and that document expired on or after March 1, 2020, follow these instructions:

1. If the employee is still employed with your company, then have that person provide an unexpired document that establishes identity. They may present the renewed List B

(Please see Update ... on Page 2)

Attendance policies and FMLA: New DOL guidance

In recent guidance, the Dept. of Labor (DOL) spelled out how attendance policies can cross the line into Family and Medical Leave Act (FMLA) violations.

Field Assistance Bulletin 2022-2 discussed no-fault attendance policies. With such policies, employers don't distinguish among reasons for leave but instead give employees points for every absence.

A no-fault plan

Here's the key: The regs don't allow employers to count FMLA leave under no-fault attendance policies.

The March 10, 2022, guidance includes an example of a father who's absent from work for three days to care for his young daughter in the hospital. He's assigned three points as part of his employer's no-fault attendance plan. Under that plan, employees are disciplined or terminated once they reach a certain number of points.

Bottom line: The policy violates the FMLA's anti-retaliation provisions because an employer can't take negative actions against an employee for using FMLA leave.

More info: www.dol.gov/sites/dolgov/files/WHD/fab/fab-2022-2.pdf

'Good afternoon, thank you for calling ... during my lunch break!'

■ NONEXEMPT EMPLOYEES MUST BE PAID IF THEY WORK DURING MEALS

It's lunchtime – but suddenly the phone rings or there's an emergency, and the employee who'd clocked out is now back to work with barely a bite to eat.

Under the Fair Labor Standards Act (FLSA), an employer must pay a worker for his or her entire meal break when that happens.

And the cost of noncompliance can be high.

Example: A Pennsylvania treatment center recently had to pay \$221,307 in back wages and damages because nurses worked during lunch.

Wilkes-Barre Treatment LLC, which operates as Clearbrook Treatment Center, and Banyan Treatment Center LLC manually deducted a 30-minute break from nurses unable to take their lunch breaks. A federal district court

also ordered Clearbrook to pay a \$33,184 civil money penalty for repeat and willful violations.

FLSA compliance

Nonexempt employees whose desks are in a public area where customers may ask for assistance will likely need to leave their desks for lunch.

Same goes for people who've been tasked with answering telephone calls or responding to texts or emails.

Medical professionals caring for patients don't always have the option of stopping for meals.

That's not necessarily a problem as far as the FLSA goes – just make sure they're paid for all time worked.

More info: www.dol.gov/newsroom/releases/whd/whd20220224-0

Update ...

(continued from Page 1)

document, a different List B document or a document from List A.

On the I-9, in Section 2, enter the following in "Additional Information": title, issuing authority, number and expiration date.

Also, initial and date the change.

2. If the employee no longer works for your company, then no action is required.

3. If the List B document was auto extended by the issuing authority, and when the employee showed you the document it was unexpired, then no action is required.

As you may recall, under the temporary policy, DHS had told employers to:

- enter the document's expiration date in Section 2, and
- write "COVID-19 EXT" in the "Additional Information" field.

More info: www.e-verify.gov/about-e-verify/whats-new

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.

■ SMOKER ENTITLED TO TIME OFF DUE TO COVID?

"I didn't know Ed was a heavy smoker," Payroll Manager Pat Gray said to HR Manager Cheryl Jones.

"I'd seen him smoking during his breaks," said Cheryl. "But no, I didn't know he smoked a pack a day, either. For that matter, I didn't know he'd had pneumonia twice."

"So Ed thinks because of those health issues, our company violated the Americans with Disabilities Act when we wouldn't let him take vacation time to self-quarantine?" asked Pat.

"Yep, that's what he's saying in the lawsuit," said Cheryl. "In 2020, after the governor labeled us an 'essential business,' apparently he didn't want to come back in because he was scared he'd get really sick with COVID."

"He called out for several days," she added. "Then he left a voicemail about taking vacation time, but he didn't mention an accommodation or COVID symptoms."

Excessive absenteeism

"If I recall, excessive absenteeism under our attendance policy was the reason for his termination," said Pat, holding up a piece of paper. "Did we fire him before or after he sent in this doctor's note?"

"After," said Cheryl. "However, the company made the decision to let him go before we saw that note about allowing him to work from home if possible. Anyway, that wasn't even an option for him."

Did the company win the lawsuit the former employee brought?

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

RESOURCEFUL
From: FINANCE PRO

**KEEP
UP TO DATE** 
PAYROLL

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Cryptocurrency: What's allowed, what's not – and what's coming

■ WAGES MUST BE PAID IN CASH OR ITS EQUIVALENT, UNDER FLSA REGS

The use of digital currency has grown dramatically in recent years, with some businesses already making payments to employees in cryptocurrency. But Payroll pros should use caution.

For starters, the Fair Labor Standards Act (FLSA) regs state that wages must be paid in cash or its equivalent.

So while employers might pay bonuses in Bitcoin, Ethereum, Tether, Binance Coin, USD Coin or any of thousands of other types of crypto, the FLSA regs don't allow the payment of base wages using this currency.

Next, payments made for work are considered "wages" for employment tax purposes, the IRS explained in its *Frequently Asked Questions on Virtual Currency Transactions*. That's the case no matter what medium is used, even cryptocurrency.

As spelled out in the FAQs, you'd take the fair market value of the virtual currency measured in U.S. dollars at the time of receipt and withhold federal income tax as well as FICA and FUTA taxes. Also, you'd

report the wages and withheld taxes on Form W-2.

Another area of caution? Retirement plans. According to the Dept. of Labor's *Compliance Assistance Release 2022-01*, fiduciaries should use extreme care before adding a digital currency option to a 401(k) plan's investment menu.

Changes to watch for

To discuss the risks involved with virtual currency, President Biden signed an executive order (EO) on March 9, 2022.

The EO addresses the responsible development of digital assets, and it tasks various government agencies, including the Treasury Dept., with submitting several reports.

One report, which is due 180 days from the date of the EO, would cover topics such as:

- the future of money and payment systems, including the conditions that drive broad adoption of digital assets, and
- the extent to which technological innovation may influence these outcomes.

More info: bit.ly/currency643

Survey: 68% say this is biggest business challenge

The labor shortage is the biggest challenge facing companies right now, according to 68% of respondents to a recent survey.

So what are companies doing to attract and retain workers?

According to the 2022 Business Leaders Outlook survey, they're trying some measures they'll be relying on Payroll to implement. Respondents said they are:

- raising wages – 81%
- providing flexible work locations – 45%
- increasing benefits – 40%

- offering flexible hours – 37%
- adding training opportunities – 35%, and
- paying retention bonuses – 25%.

Companies' concerns

In addition, the JP Morgan Chase survey noted that supply chain issues (62%) and higher cost of doing business (58%) pose problems for companies.

Other areas of concern reported? Uncertain economic conditions (17%) and vaccine adoption (15%).

More info: bit.ly/laborshortage643

NEWS YOU CAN USE

■ IRS UPDATED FORM 944-X AND ITS INSTRUCTIONS

Given the COVID-19 pandemic, employers who wouldn't normally need to file an amended 944 may need to do so.

Recently, IRS released an updated Form 944-X and its instructions, with a revision date of February 2022. IRS notes that employers will need to supplement the 944-X instructions with the 944 instructions for info on sick and family leave, the employee retention credit and COBRA premium assistance credit.

More info: www.irs.gov/pub/irs-pdf/i944x.pdf

■ ONE WEB BROWSER WON'T WORK FOR E-VERIFY SOON

You'll need to use a web browser other than Internet Explorer 11 for E-Verify starting April 30, 2022, because Microsoft is ending support for the browser's desktop app.

You can still use Safari, Chrome, Edge or Firefox to access E-Verify.

More info: www.e-verify.gov/about-e-verify/whats-new

■ WORKERS REQUIRED TO PAY EMPLOYER FOR TRAINING?

The Consumer Financial Protection Bureau (CFPB) held a roundtable recently, where workers and organizations that represent them reported an increase in "employer-driven debt."

Participants told the CFPB some employers are requiring workers to attend training – and if their employment ends before a set time, they must reimburse the employers for that training. One example: Fully-licensed nurses at a large healthcare provider owe \$10,000 for attending mandatory company-run training if they fail to work full time.

The CFPB is considering how best to address any potential violations of federal consumer financial law.

More info: bit.ly/debt643

TEST YOUR KNOWLEDGE

■ Social Security numbers: Are your records accurate?

When you have downtime throughout the year, you can take steps to verify that employee records are accurate. Better than than at always-busy year-end.

Test your knowledge of name and Social Security number (SSN) matches by answering *True* or *False* to the following questions.

1. The SSA allows employers to verify only 10 names and SSNs at a time.
2. If an SSN fails to verify, your only option is to request that the employee contact the local SSA office.
3. You can't use the SSA's verification service to doublecheck the name and SSN of a prospective employee.
4. One benefit of doublechecking your info with SSA is a reduction in the number of Forms W-2c you need to prepare.

ANSWERS

Answers to the quiz:

1. *False.* You can key in up to 10 names and SSNs online and get immediate results. This method is ideal when you have a limited number of new hires. Or you can upload overnight files of up to 250,000 names and SSNs, which works well if you want to verify an entire payroll database.
2. *False.* Although you can refer an employee to the SSA, you can also take other steps, such as asking the employee to verify the information or requesting to see that person's Social Security card.
3. *True.* The service should be used for current and former employees and only for W-2 purposes.
4. *True.* That should save you time and processing costs.

More info: www.ssa.gov/employers/ssn/verify.htm

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.

3 laws broken, \$39K owed by FL cleaning company

Employer: Cole Industries Inc., d.b.a. Service Master Professional Cleaning Service, Pensacola, FL.

Business: Commercial cleaner.

Laws broken: Fair Labor Standards Act; McNamara-O'Hara Service Contract Act; and Contract Work Hours and Safety Standards Act.

Type of violation: Overtime violations occurred because the employer paid certain workers an hourly rate for one job and paid them a flat rate for a second job without combining the hours worked. In addition, Cole Industries failed to pay employees the required prevailing wages and health and welfare benefits.

Penalty: \$39,806 in back wages and liquidated damages to 19 employees.

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

Exempt employees paid less than \$684 per week

Employer: Encore Foods Inc., Athens, GA.

Business: Restaurant.

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

Type of violation: Encore Foods allowed minors to work outside of prescribed hours. In addition, the employer didn't include nondiscretionary bonuses in the pay rate when calculating overtime and failed to pay exempt employees at least \$684 per week.

Penalty: \$15,533 civil money penalty

plus \$1,907 in back wages for 10 workers.

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

Employees set up and cleaned up off the clock

Employer: Seaboard Triumph Foods LLC, Sioux City, IA.

Business: Slaughterhouse.

Law broken: Fair Labor Standards Act's overtime and recordkeeping provisions.

Type of violation: The company didn't pay employees for time spent on set up, clean up and knife sharpening. Also, the slaughterhouse didn't pay overtime at time-and-a-half the regular rate of pay and didn't maintain accurate records.

Penalty: \$331,807 in back wages for 413 workers.

Government office: Dept. of Labor, Wage and Hour Division, Des Moines, IA, district office.

H-2A workers didn't receive wage statements

Employer: Jorgensen Management Inc., Bancroft, ID.

Business: Potato farm.

Laws broken: Immigration and Nationality Act and Migrant and Seasonal Agricultural Worker Protection Act.

Type of violation: Problems included not providing H-2A workers with at least three-quarters of the work hours on their contracts as well as failing to issue wage statements.

Penalty: \$25,430 in civil money penalties plus \$159,256 in unpaid wages.

Government office: Dept. of Labor, Wage and Hour Division, Portland, OR, district office.

Tracking local laws and regs

■ Philadelphia's COVID-19 leave law set to expire Dec. 31, 2023

A new law, 220051-A, extends COVID-19 leave in Philadelphia. Employers with 25 or more employees need to provide the leave starting March 9, 2022, and ending Dec. 31, 2023, or sooner if the city lifts the public health emergency. Employees who work 40 or more hours per week are entitled to 40 hours of leave. For other employees, their leave amount is the greater of their scheduled work hours or their actual work hours on average in a seven-day period.

More info: bit.ly/philadelphia643

■ 5 days of paid sick leave: OK to ask for doctor's note?

The San Francisco Office of Labor Standards Enforcement has changed its rules regarding what's allowed when it comes to paid sick leave and doctors' notes.

If your policy or practice requires a doctor's note or other documentation to use paid sick leave five or fewer consecutive days, that'll be considered "unreasonable." Previously, the threshold was three days.

The guidance is in effect during the current local health emergency.

More info: sfgov.org/olse/san-francisco-paid-sick-leave-coronavirus

■ Los Angeles employers will see minimum wage go to \$16.04

You'll see a higher minimum wage rate in Los Angeles soon.

The increase from \$15 to \$16.04 will occur on July 1, 2022. The rate is now based on the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Los Angeles metropolitan area.

More info: www.lamayor.org/mayor-garcetti-announces-minimum-wage-rate-increase-16-hour

■ On July 1, 2022, minimum wage going up in Los Angeles County

For employees working in the unincorporated areas in Los Angeles County, the minimum wage will go up on July 1, 2022, to \$15.96 per hour.

That's a 6.4% rate increase – from the current \$15 – and it's based on the Bureau of Labor Statistics' Consumer Price Index.

More info: [lacounty.gov/news-](http://lacounty.gov/news-releases/2022/03/08/minimum-wage-increase-unincorporated)

PRODUCTIVITY BOOSTERS

■ CYBERSECURITY AMONG IRS TAX FORUM TOPICS

The 2022 IRS Nationwide Tax Forum will kick off July 19, 2022. At the forum, Payroll and other Finance pros can hear the latest updates on tax law, cybersecurity, ethics and other topics.

For 2022, the forum will remain virtual. Here's how things will work: Every week, for five weeks, you'll be able to watch live webinars. IRS will offer them on Tuesdays, Wednesdays and Thursdays.

Early bird: \$240. Standard: \$289.

More info: www.irstaxforum.com/index

[releases/2022/03/08/minimum-wage-increase-unincorporated](http://www.irstaxforum.com/index)

■ Major disaster impacts 53 counties in Kansas

Severe storms and straight-line winds during December 2021 led to a presidential declaration of a major disaster for 53 counties in Kansas.

Certain organization may file applications for physical loans by April 18, 2022, and economic injury loans by Nov. 17, 2022.

More info: *Federal Register*, 2/25/22.

REAL PROBLEMS, REAL SOLUTIONS

We created budget schedules to keep technology up to date

Falling behind our competition because we held onto older, slower, less secure computers and smartphones was something we wanted to avoid.

Because of how many hours each day our staffers use these tools, justifying high-dollar purchases of new hardware was easy.

For example, most employees are practically attached to their smartphones.

The hardware by itself represents just 10% of the total cost of our phone budget.

Because most of the costs are from

the phone plan, which will be high no matter what phone we're using, it makes sense to get new phones every two years.

But it would be too costly to update everybody's computers and phones at the same time.

We realized that we needed a reasonable timetable.

What gets replaced when

For the next budget season, Finance and IT decided we should make an effort to collaborate.

We came up with a prioritized technology upgrade budget schedule,

broken down by employee, quarter and year.

Scheduling upgrades in increments of quarters and years keeps technology spend consistent.

That regular-increment approach also ensures that none of our staffers get left behind with out-of-date software or hardware – and that's good for morale, too.

We've stuck to that original schedule, and we've found that we get an appropriate amount of mileage out of our equipment.

(Brittany Swiecicki, office manager, Rosenblum Goldenhersh, St. Louis)

Top 5 most common benefits offered and their popularity among workers

■ SURVEY ALSO LOOKED AT REACTION TO INCREASED HEALTHCARE COSTS

What tops the list of the most common benefits offered to employees, according to the latest survey from Employee Benefits Research Institute (EBRI)?

Health insurance.

With 78% of those surveyed saying they had access to this benefit, it had a solid lead over the runner-up.

So, what was that one?

Retirement savings plans, with 68% of respondents reporting they'd been offered such a plan.

Dental insurance (65%) came in next on the list of the five most common employer-provided benefits mentioned in the EBRI survey.

Almost just as common (64%) was vision insurance.

And last on the list of the 2021 Workplace Wellness Survey?

Life insurance, offered by 57% of the respondents' employers.

The survey also looked at whether or not employees chose to

take advantage of the benefits their employers offered to them.

Once again, health insurance topped the list. In fact, 87% of employees who had the option of participating in their employer's health insurance plan signed up for the benefit.

The numbers steadily declined from there, with 79% opting for retirement plan participation, 76% for dental insurance and 71% for vision insurance.

Meanwhile, 75% said yes to their employer's offer of life insurance. So, although that came in fifth on the list of benefits provided, it ranked fourth among benefits chosen.

With that in mind, more employers may opt to offer life insurance to their workforce in the future.

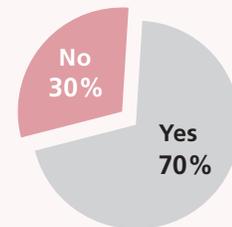
Changes employees made

A related survey question dealt with healthcare costs and how employees reacted when expenses increased. To absorb higher costs, 49% said they decreased their contributions to a retirement plan and 46% answered

WHAT PAYROLL PROS TOLD US

Cybersecurity

Are you confident in the effectiveness of your cybersecurity program?



Source: Navisite 2021 survey of 130 professionals

While 70% of those surveyed expressed confidence, the number dropped to 58% at companies that didn't have a chief information security office.

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

that they took a loan or withdrawal from a retirement plan. Furthermore:

- 63% increased their contributions to a health savings account and 46% decreased those contributions, and
- 39% took less time off of work/ used less paid time off.

More info: bit.ly/healthcare643

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

Yes, the company successfully fought back against the former employee's Americans with Disabilities Act (ADA) claims.

He said the company shouldn't have fired him, and although termination is an adverse employment action under the federal law, he failed to show the company's decision rested on anything except a violation of its attendance policy.

First, the former employee couldn't show he had a disability under the ADA.

An addiction to smoking doesn't count as a disability. If it did, about one-third of the population would be considered disabled, the court noted.

Likewise, a history of pneumonia doesn't necessarily trigger ADA protections. Reason: Pneumonia is a temporary health condition.

Neither the conditions themselves nor the conditions taken in combination meant he had an elevated risk of a severe COVID infection. Although some individuals with other conditions may be able to show such a risk, he couldn't, commented the court.

Even if he could've shown he had a disability under the ADA, he couldn't have proven that the company knew about his disability or that he made a request for an accommodation.

Analysis: What the ADA says

Lawsuits continue to ramp up regarding how employers handled the coronavirus pandemic.

Remember that just because an employee feared a potentially severe illness based on his or her health conditions, that wouldn't necessarily have entitled them to time off under the ADA.

Cite: *Frederick v. Allor Mfg. Inc.*, 2:20-CV-12790-TGB-RSW, U.S. D.C., E.D. Michigan, Southern Div., 2/28/22.

Note: Dramatized for effect.

Industry news you can use

■ DOL wants to revert to previous definition of 'prevailing wages'

A heads-up for construction companies working on federal contracts: The Dept. of Labor (DOL) has begun working on revisions to the Davis-Bacon Related Acts regs, the most comprehensive review of the regs in 40 years.

According to a proposed rule DOL issued March 18, 2022, the definition of "prevailing wage" would revert back to the one used from 1935 to 1983 to ensure prevailing wages reflect actual wages paid to workers in the local community.

More info: *Federal Register*, 3/18/22.

■ Getting paid over 12 months for work done during school year

In Wisconsin, cooperative educational service agency employees may voluntarily request payment over a 12-month period for their work during the school year.

That's thanks to SB 358, which took effect in March of 2022.

School district employees and private school employees may make the same request.

More info: *docs.legis.wisconsin.gov/2021/related/acts/144*

■ Not following through with EEO report leads to \$32K fine

After you complete your company's Equal Opportunity Commission (EEO) report, don't check the task off your to-do list too soon. One broadcaster, Cumulus Licensing LLC, is facing a proposed \$32K penalty from the Federal Communications Commission.

Apparent violations included failing to:

- timely upload its 2018 EEO public file report in five stations' online public inspection files
- timely upload the report to the stations' websites, and
- analyze its EEO program.

More info: *bit.ly/eeo643*

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 info should contract with 401(k) service provider contain?

Q: We're getting ready to sign a contract with a service provider for our retirement plan. What should we look for to ensure they'll keep employees' data safe?

A: In 2021, the Dept. of Labor issued guidance for plan sponsors and fiduciaries. The new security standards should be met, even by a service provider. In the contract, include these five terms that enhance cybersecurity protection. **1. Information security reporting.** The service

provider should do third-party audits to determine compliance.

2. Clear provisions on the use and sharing of information and confidentiality. Get protection from unauthorized access, loss, disclosure, modification or misuse. **3. Notification of cybersecurity breaches.** Specify how quickly you'd be notified of an incident. **4. Compliance with records retention and destruction, privacy and information security laws.** Consider federal, state and local laws. **5. Insurance.** Cyber liability is one coverage option.

More info: *bit.ly/retirement643*

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.

- *General Instructions for Forms W-2 and W-3*. Revised 2022. Posted 2/25/22.
- *Form 941, Employer's QUARTERLY Federal Tax Return*. Revised March 2022. Posted 2/28/22.
- *Instructions for Form 941*. Revised March 2022. Posted 2/28/22.
- *Instructions for Schedule B (Form 941)*. Revised March 2022. Posted 2/28/22.
- *Schedule R (Form 941): Allocation Schedule for Aggregate Form 941 Filers*. Revised March 2022. Posted 2/28/22.
- *Instructions for Schedule R (Form 941)*. Revised March 2022. Posted 2/28/22.
- *Instructions for Form 943-X*. Revised February 2022. Posted 2/28/22.
- *Form CT-2, Employee Representative's Quarterly Railroad Tax Return*. Revised March 2022. Posted 3/2/22.
- *National Taxpayer Advocate, 2022 Purple Book*. Revised December 2021. Posted 3/4/22.
- *Instructions for Form 720*. Revised March 2022. Posted 3/28/22.

More info: Find links by going to *www.keeptodateonpayroll.com/forms-and-publications-643*

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!

ARKANSAS

- **INCOME TAX:** The automatic extension deadline for filing Form AR941PT, *Pass Through Entity Report for Income Tax Withheld*, is April 15, 2022. Along with the form, you should submit electronic media showing to whom the distribution was paid. **More info:** bit.ly/arkansas643

CALIFORNIA

- **PAID SICK LEAVE:** The California Dept. of Industrial Relations has clarified that COVID-19 Supplemental Paid Sick Leave provides employees up to 80 hours of leave, and that includes two separate banks of leave. The first bank, of up to 40 hours, is for quarantine or isolation or taking time off related to vaccinations. The second bank, of up to 40 hours, is for caring for oneself or one's family member who tested positive for COVID-19. **More info:** bit.ly/california643

ILLINOIS

- **RETIREMENT:** The deadline for enrolling in the Secure Choice Retirement Savings Program is Nov. 1, 2022, for employers with 16 to 24 employees and Nov. 1, 2023, for employers with five to 16 employees. Note: Employers with 25 or more employees should already be registered. The program is for employers that don't sponsor a retirement plan. **More info:** employer.ilsecurechoice.com/home/employers.html
- **UNPAID LEAVE:** A new law, HB 3582, amends the Victims' Economic Security and Safety Act to include victims of crimes

of violence. That's in addition to victims of domestic, sexual or gender violence. **More info:** bit.ly/illinois643

IOWA

- **INCOME TAX:** House File 2317, signed by the governor March 1, 2022, will modify the individual income tax rates, exemptions and credits. The legislation phases in a flat tax rate of 3.9% by 2026. **More info:** bit.ly/iowa643

MASSACHUSETTS

- **PAID SICK LEAVE:** COVID-19 Temporary Emergency Paid Sick Leave program ended March 15, 2022. Move quickly if you still need to submit your requests for reimbursement. The Commonwealth says it'll honor requests through April 29, 2022. **More info:** www.mass.gov/lists/covid-19-services-on-massgov

NEVADA

- **STATE UI:** The Nevada Employment Security Council had recommended increasing the state unemployment insurance (UI) tax rate to 2%. But due to discussions with the business community, the average tax rate has remained 1.65% for 2022. **More info:** bit.ly/nevada643

OHIO

- **MUNICIPAL INCOME TAX:** HB 110 is good news for employers that have had employees working remotely. If you withheld municipal income tax from someone's wages earned between March 9, 2020, and Dec. 31, 2021, and remitted the tax to the municipality of the employee's principal place of work, you won't be assessed any tax, penalties or interest by another municipality. Employees that were overwithheld can seek a refund from the municipality. **More info:** bit.ly/ohio643

OREGON

- **PAID LEAVE:** A proposed rule seeks to clarify that Paid Family and Medical Leave Insurance wages don't include amounts paid to employees to reimburse them for 1) meal expenses for performing work after their regular office hours, or 2) traveling or other expenses actually incurred while working. **More info:** www.oregon.gov/employ/PFMLI/Pages/default.aspx

WISCONSIN

- **CHILD SUPPORT:** The Bureau of Child Support says it's in the planning phase of its Child Support Modernization project. The Kids Information Data System and other automated systems will be modernized, for example. **More info:** dcf.wisconsin.gov/cs/csm

THE LIGHTER SIDE

If your commute to work involves fighting your way through crowded New York City sidewalks, the last thing you want to do is lose your wallet.

But that's what happened to Eduardo Martinez.

He was walking down Broadway and West 49th Street and suddenly realized his wallet – which contained \$4,000 in cash – was missing.

When two police officers noticed him frantically searching the area, they approached him. They had the wallet, and after they matched Martinez's identification, his wallet was back in his hands.

Turned out, a woman had found the wallet on the ground and given it to the officers. Now that's integrity!

Cite: "Wallet Lost in Times Square With \$4,000 Inside Miraculously Gets Returned to Owner," nbcnewyork.com, 3/2/22.