

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

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May 2, 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.

■ PATH ACT INFORMATION THAT CHURCHES NEED

Item: Notice 2018-81, *Notice Regarding Certain Church Plan Clarifications under Section 336 of the PATH Act.*

Background: Churches that want to revoke an election to aggregate and disaggregate an organization from treatment as a single employer use this notice.

Comments due: 5/9/22.

Cite: *Federal Register*, 3/8/22.

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

These on-demand pay changes needed, says Treasury Dept.

■ Daily payments would be treated as paid weekly

The Treasury Dept. would like to see federal legislation that'd clarify the tax treatment of on-demand pay arrangements.

The agency spelled out its proposal in the so-called Green Book, released on the same day as President Biden's FY 2023 budget.

Employers that offer on-demand pay allow employees to access their earned wages before their regularly scheduled pay dates.

Problem is, that can trigger constructive receipt, Treasury noted in *General Explanations of the Administration's Fiscal Year 2023 Revenue Proposals*.

For example, if employees access a portion of their pay every day, Payroll

should withhold and pay employment taxes on a daily basis.

But as the Treasury Dept. recognized, maintaining a daily or a miscellaneous pay period and configuring payroll systems accordingly would be a financial and administrative burden.

That explains why employers often consider on-demand payments as paid on the regularly scheduled pay date, or they count them as loans.

4 parts of the proposal

Here's what Treasury aims to see changed starting Jan. 1, 2023:

- First, the definition of on-demand

(Please see Treasury ... on Page 2)

Auto enrollment in retirement plans soon mandatory?

Payroll would be required to automatically enroll employees in 401(k) and 403(b) plans, according to a law that recently passed the House.

The Securing a Strong Retirement Act of 2022 is in the hands of the Senate after passing the House on March 29, 2022.

As currently written, HR 2954 allows employees to opt out of auto enrollment. For anyone who doesn't do that:

- in the first year of participation in new plans, the contribution rate would be between 3% and 10% of their compensation, and then

- on the first day of each plan year, the rate would increase by 1% until reaching 10% but not more than 15%.

Higher catch-up limit

The law has other provisions, including increasing the catch-up contribution limit.

Employees age 62-64 would be able to contribute an extra \$10,000 per year. For tax year 2022, catch-up contributions are set at \$6,500.

The law's changes would kick in during 2023 and 2024.

More info: bit.ly/retirement644

DOL said payments were wages, not per diems – \$500K owed to workers

RECORDKEEPING AND OVERTIME VIOLATIONS AT KY COMPANY

Just because an employer labels payments “per diems” doesn’t mean the Dept. of Labor (DOL) will agree.

That’s what TechFlyte LLC learned after a DOL investigation of the Louisville, KY, staffing agency.

TechFlyte provides maintenance and repair staff to airlines nationwide, including VT Mobile Aerospace.

Payments TechFlyte made to 129 workers should have been counted as wages, not per diems, the DOL said.

The misstep led to recordkeeping and overtime problems. Namely, the company didn’t use the correct regular rate of pay in its overtime calculations.

The Fair Labor Standards Act violations cost the company \$269,038 in back wages and an equal amount of liquidated damages, totaling \$538,076. Plus, the company had to

pay \$63,196 in civil money penalties. Reason: The DOL deemed the violations willful given that identical problems had been identified in 2020 at another TechFlyte location.

Checking in with A/P

Your peers in A/P may reimburse employees for their lodging, meals and incidental expenses on a daily basis.

It’s important to confirm with A/P that the per diem payments are for work-related expenses.

If that’s not clearly the case, you could wind up in a similar situation as the staffing firm: finding out from DOL that your company should have counted the payments as compensation for work.

More info: www.dol.gov/newsroom/releases/whd/whd20220404

Treasury ...

(continued from Page 1)

pay should be incorporated into Sec. 7701 of the Internal Revenue Code as follows: “an arrangement that allows employees to withdraw earned wages before their regularly scheduled pay dates.”

- Next, on-demand pay arrangements should be treated as having weekly payroll periods, even if employees access their wages on a daily basis. To that end, Sec. 3401(b) of the Code would be changed.
- In addition, several sections of the Code should be amended to make clear that on-demand pay arrangements aren’t loans.
- Finally, Sec. 6302 of the Code would need to be changed, allowing special deposit rules for on-demand pay arrangements.

Employers will want to keep an eye out for these or other changes, as use of on-demand pay continues to grow.

More info: home.treasury.gov/system/files/131/General-Explanations-FY2023.pdf

SHARPEN YOUR JUDGMENT

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

TOO LONG TO WAIT BEFORE GETTING VACATION PAYOUT?

“Beautiful day for a walk,” Payroll Manager Pat Gray said, waving to her neighbor Mary Ellis.

“Yes, and now that I’ve started my new job, I have more time to get outside in the sunshine,” said Mary. “I just wish I wasn’t still waiting for the check from my old employer for my vacation payout.”

“You still haven’t received that?” asked Pat. “It’s been over a month since you left your old job.”

Mary nodded. “That’s their policy – any unused vacation time gets paid one month after the final paycheck. My last day was March 25, and I got my final check on April 1. So I’m still waiting, but I could really use the money now.”

State laws, company policies

“And how about unused sick time?” asked Pat. “Are you waiting to be paid for that, too?”

“No, their policy on that is you only get a payout for sick time if you’re retiring. And I’m pretty far off from that,” Mary chuckled.

“It seems to me,” Mary continued, “that my old company is taking way too long to get those checks in the mail. Isn’t there some kind of law against this?”

“The state requires payment of wages within a set number of days,” answered Pat. “But otherwise, your company’s policy is what counts.”

Pat’s neighbor ended up suing her former employer for not paying the unused benefits on time.

Who won the legal battle?

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



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Cybercrooks take new approach to BEC: Ways for Payroll to stay safe

■ FBI REPORT ON EVER-EVOLVING CYBER TRENDS AND THREATS

Last year, the U.S. saw an “unprecedented” increase in cyberattacks and malicious cyber activity, according to the FBI. Crooks tried to gain access to W-2 info and so much more.

In 2021, the FBI’s Internet Crime Complaint Center (IC3) received 847,376 complaints – a 7% increase from 2020. Potential losses to businesses and the general public reached nearly \$7 billion.

Once again, business email compromise (BEC) was one of the top incidents reported to IC3.

But now, scammers have come up with some new and convincing ways to get your money, as revealed in the 2021 FBI Internet Crime Report.

New videoconferencing method

During the COVID-19 pandemic, in-person meetings got shut down, and telework and virtual communication skyrocketed. Cyber adversaries seized on that opportunity. Here’s how:

First, they compromised a CFO or CEO email and then used the email to request that employees participate

in virtual meeting platforms. Next, the fraudsters inserted a still picture of the CFO or CEO with no audio or a “deep fake” audio. They’d claim the audio or video wasn’t working properly.

Finally, over the virtual meeting platform, the cyberthieves would give verbal instructions for employees to initiate wire transfers, or they’d communicate the request through the compromised email.

4 steps you can take

So, how can you protect your company from schemes like this?

1. Contact your bank as soon as you find fraud. Request a recall or reversal. Ask for a Hold Harmless Letter or Letter of Indemnity.
2. File a detailed complaint with IC3.
3. Visit www.ic3.gov for public service announcements on new schemes.
4. Don’t make any payment changes without verifying with the intended recipient first. Plus, doublecheck that email addresses are accurate, especially when using cell phones or other mobile devices.

More info: www.ic3.gov/Media/PDF/AnnualReport/2021_IC3Report.pdf

Backlog increases! Forms 941-X still unprocessed

While employers wait to hear back from IRS on their unprocessed forms, such as 941-X, a new report explains some of the holdup.

Treasury Inspector General for Tax Administration (TIGTA) released the report on March 18, 2022. The report is called *Program and Organizational Changes Are Needed to Address the Continued Inadequate Tax Account Assistance Provided to Taxpayers*.

At the end of 2020, the IRS had 9,867 unprocessed Forms 941-X in its possession, holding onto 99% of those for more than 45 days. By the

end of 2021, the 941-X inventory had jumped to 411,610, with 91% of those exceeding the 45-day mark.

Uploading documents would help

TIGTA made 19 recommendations. For example, businesses should be able to directly upload documents to someone in Accounts Management to speed up communication.

IRS agreed, saying it has piloted a program in its compliance function, where volume is lower, to ensure that document uploading will work.

More info: bit.ly/changes644

NEWS YOU CAN USE

■ BOX 5 INSTRUCTIONS CHANGED ON FORM 1096

If you downloaded the 2022 instructions for Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*, before April 4, 2022, you should know IRS had to correct some info.

The box 5 instructions say to enter the total of the amounts from the specific boxes identified for each form.

Here’s what’s changed:

- The boxes for Form 1099-DIV are 1a, 2a, 3, 9, 10 and 12.
- On Form 1099-MISC, the boxes are 1, 2, 3, 5, 6, 8, 9, 10, 11 and 14.

More info: bit.ly/returns644

■ EXTRA TIME TO DOWNLOAD E-VERIFY RECORDS REPORT

You have a little extra time to preserve E-Verify records dated on or before Dec. 31, 2011.

U.S. Citizenship and Immigration Services now says it’ll dispose of them on May 6, 2022 (previously April 1, 2022).

So, employers that want to download case info from the Historic Records Report have until May 5, 2022, to do so.

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

■ STILL ON HOLD: DEFAULTED FEDERAL STUDENT LOANS

Don’t expect to see any wage garnishments for defaulted federal student loans until at least after Aug. 31, 2022.

The current extension would have expired May 1, 2022. But the U.S. Dept. of Education has again extended the pause on student loan repayment, interest and collections.

More info: www.ed.gov/news/press-releases/biden-harris-administration-extends-student-loan-pause-through-august-31

TEST YOUR KNOWLEDGE

■ Current on specs for electronic medical child support orders?

If you want to exchange National Medical Support Notice (NMSN) requests and responses through the e-NMSN system, you can.

However, certain specs must be followed. Test your knowledge by answering *True* or *False* to the following:

1. The only file format available to employers for sending and receiving files with the Office of Child Support Enforcement (OCSE) is XML.
2. Regarding connectivity, if you're using OCSE's electronic Income Withholding for Support Order (e-IWO) process, your existing transfer connection should work.
3. You must use the standard filenames assigned to you by the e-NMSN system.
4. When batching files, you can have only one batch file for the same state.

ANSWERS

- Answers to the quiz:**
1. *False.* You can use XML. You can also use text and PDF files.
 2. *True.* That's the case as long as your connection through the Internet is using Secure File Transfer Protocol or File Transfer Protocol Secure.
 3. *False.* You can also use a predefined naming standard unique to your organization. Filenames can't be a variable. Also, they're not case sensitive.
 4. *True.* Response files are batched according to the batch received from the state. For example, if Ohio sends Batch A on Monday and Batch B on Tuesday, your response file on Wednesday may include two batches for Ohio.
- More info:** www.acl.hhs.gov/sites/default/files/documents/ocse/e-nmsn_sis.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.

40 hours included in their checks, then they got cash

Employer: Doloma Corp. and Parth Corp., Arlington and Kevil, KY.

Business: Gas stations and convenience stores.

Law broken: Fair Labor Standards Act and Families First Coronavirus Response Act.

Type of violation: The employer paid straight time wages, in cash, when employees worked more than 40 hours in a workweek. Also, Doloma Corp. and Parth Corp. didn't keep accurate records of hours worked. Plus, the employer denied emergency paid sick leave to a worker who had to self-quarantine after contracting the coronavirus.

Penalty: \$10,618 in back wages and liquidated damages for 23 workers plus a \$16,703 civil money penalty for the overtime and recordkeeping violations; \$555 in back wages for the paid sick leave violations.

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

Restaurant's managers illegally in on tip pool

Employer: Dos Amigos Burritos LLC, Concord, NH.

Business: Restaurant.

Law broken: Fair Labor Standards Act's requirements on the tip pools and child labor.

Type of violation: The restaurant improperly included managers in its tip pool. Also, three 15-year-olds worked more than five hours on a school day and as late as 10 p.m.

Penalty: \$61,788 in tips and liquidated

damages for 39 employees and a \$2,073 civil money penalty for the child labor violations.

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

Company owes \$120K for mishandling overtime

Employer: Attentive Angels Home Care LLC, West Columbia, SC.

Business: Healthcare provider.

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

Type of violation: The company didn't pay time-and-a-half for hours that exceeded 40 in a workweek.

Penalty: \$120,321 in back wages and liquidated damages for 36 workers.

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

Resort owed \$3.3M under CA's Right to Recall law

Employer: DH Long Point Management, LLC d.b.a. Terranea Resort, Rancho Palos Verdes, CA.

Business: Resort.

Law broken: California Dept. of Industrial Relations.

Type of violation: The resort failed to offer job positions to 53 employees who'd been laid off during the COVID-19 pandemic. They weren't offered an opportunity to return to work based on seniority when the hotel increased business operations. The Right to Recall law is in effect from April 16, 2021, to Dec. 31, 2024, covering certain industries.

Penalty: \$3,080,000 in liquidated damages, \$5,300 in civil penalties, and \$208,582 in assessed interest.

Government office: California Dept. of Industrial Relations, Division of Labor Standards Enforcement.

Tracking local laws and regs

■ Time for San Francisco employers to submit health care report

The deadline for submitting the 2021 Employer Annual Reporting Form to the San Francisco Office of Labor Standards Enforcement is May 2, 2022.

The city requires the form from employers covered by the:

- San Francisco Health Care Security Ordinance, and/or
- Fair Chance Ordinance.

Failure to comply will cost employers \$500 per quarter.

More info: sfgov.org/olse/health-care-security-ordinance-hcso

■ When employee should fill out form for local tax withholding

In Pennsylvania, if an employee notifies you of a name and/or address change, remember to have that person fill out a new Residency Certification Form, Local Earned Income Tax Withholding.

Of course, new hires must fill out the form as well.

In addition, you can find the Political Subdivision (PSD) Codes and Earned Income Tax (EIT)

Rates at a page on the Pennsylvania Dept. of Community and Economic Development's website called "PSD Codes and EIT Rates."

More info: dced.pa.gov/local-government/local-income-tax-information

■ Minimum wage rate increases in Oregon and in these locations

On July 1, 2022, in Oregon, not only is the minimum wage rate increasing to \$13.50 (from \$12.75) on the state level, but the rate is going up on the local level, too.

In the Portland Metro area, it'll be \$14.74 (currently \$14).

The Nonurban Counties rate will be \$12.50 (now \$12).

More info: www.oregon.gov/boli/workers/Pages/minimum-wage-schedule.aspx

■ Mid-year minimum wage changes in these CA cities

A number of California cities will see the minimum wage rate increase on July 1, 2022.

The list includes:

Alameda – \$15.75

PRODUCTIVITY BOOSTERS

■ Form W-4 may be available in languages employees speak

You can offer Form W-4, *Employee's Withholding Certificate*, to employees in several languages.

In addition to English, here are six versions IRS has available, all with a revision date of 2022.

- W-4 (zh-t): Chinese, Traditional.
- W-4 (zh-s): Chinese, Simplified.
- W-4 (ko): Korean.
- W-4 (ru): Russian.
- W-4 (sp): Spanish.
- W-4 (vie): Vietnamese.

More info: www.irs.gov/forms-pubs/about-form-w-4

Emeryville – \$17.68

Novato – \$15.77 for very large businesses; \$15.53 for large businesses; \$15 for small businesses

Pasadena – \$16.11

Santa Monica – \$15.96

Two localities haven't yet set their rate changes. The hourly rate in Berkeley is scheduled to be \$16.32 + Consumer Price Index (CPI). In Fremont, large employers will see a rate increase based on the CPI.

More info: www.dir.ca.gov/dlse/faq_minimumwage.htm

REAL PROBLEMS, REAL SOLUTIONS

Catching system errors before they affect paychecks

We had to deal with multiple systems when processing payroll. As you can imagine, this made the situation much more time-consuming than it needed to be.

Not only were we manually uploading employees' hours from a spreadsheet into our main payroll system, we also had to pull in details about commissions and bonuses from a separate system.

Of course, this way of doing things wasn't without its glitches.

For example, our payroll software didn't always calculate withholding correctly after importing all the data.

This would not only slow down payroll, but it made it harder to catch mistakes before cutting checks.

Careful review

To avoid overlooking glitches while making sure payroll data was accurate, we came up with a procedure to double-check that everything came through correctly during the import.

First, our controller reviewed all the info before it was uploaded into our system.

Then, I double-checked everything after that.

Finally, our controller did one last review before submission.

Reason: In the process of fixing errors, it's possible to make new mistakes.

Having two sets of eyes on payroll data at various points in the process has helped us spot calculation errors in our system before we finalize payroll.

With this arrangement, I can fix any mistakes right away instead of after the fact.

(Cassie Tripp, accounts payable/payroll, Continental Research Corp., St. Louis)

Latest BLS report includes data on salaries for Payroll-related jobs

■ PLUS, A DESCRIPTION OF TASKS THAT PAYROLL MAY HANDLE

In this competitive job market, Payroll pros involved in the hiring process may find the latest data from the Bureau of Labor Statistics (BLS) useful.

On March 18, 2022, the BLS released national and state stats as of May 2021.

The Occupational Employment and Wage Statistics program provides data on a wide range of jobs, including Payroll-related positions.

Paycheck details

Here's how the numbers looked on the national level.

For payroll and timekeeping clerks, the numbers were:

- median hourly wage – \$22.89 (up from \$22.61)
- mean hourly wage – \$23.83 (up from \$23.21), and
- annual mean wage – \$49,560 (up from \$48,290).

According to the BLS, payroll and

timekeeping clerks compile and record employee time and payroll data. The job may involve computing and posting wages and deductions, as well as preparing paychecks.

In a comparable occupation – **human resources assistants, except payroll and timekeeping** – the focus is on compiling and keeping personnel records. Additionally, these workers may record data for each employee: address, weekly earnings, absences and other information.

These workers brought in:

- \$21.94 (previously \$20.79) median hourly wage
- \$21.56 (previously \$21.24) mean hourly wage, and
- \$44,840 (previously \$44,170) annual mean wage.

What else the report said

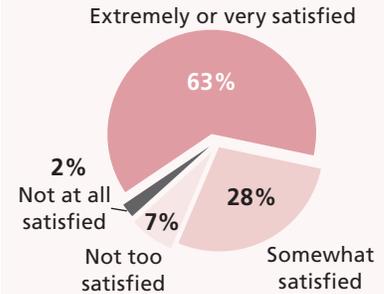
The BLS report also stated that **financial clerks** earned an average of \$47,830 (was \$46,310), while **bookkeeping, accounting and auditing clerks** made \$45,140 (an increase from \$44,100).

Overall, the median hourly wage

WHAT PAYROLL PROS TOLD US

Health insurance

Overall, how satisfied are you with your current health insurance plan?



Source: Employee Benefit Research Institute, 2021 Workplace Wellness Survey

Satisfaction is high for health plans that employers offer. You can expect IRS to release 2023 high deductible health plan numbers for health savings accounts soon.

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

for office and administrative support positions decreased to \$18.29 (had been \$18.62).

As for **business and financial operations jobs**, the median hourly wage was \$36.81 (more than a \$2 per hour jump from \$34.73).

More info: www.bls.gov/oes/current/oes_nat.htm

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

The employer won the legal battle regarding accrued, unused vacation and sick leave.

The payments to the former employee weren't late, the court said.

According to the state's wage payment law, employers must be paid wages at least once per month and no later than 12 days from the end of the pay period, not counting Sundays and legal holidays.

However, payment of benefits such as vacation and sick time aren't subject to the same time restrictions. Rather, each employer must follow its own policies when it comes to these types of payments.

The company's policy stated that vacation payouts would occur on the first day of the month following the final paycheck – and that's what happened in the former employee's situation.

What's more, the policy explained that an employee had to reach age 55 and be entering retirement to receive a sick leave payout. Because the former employee was younger than 55, she wasn't eligible for that.

Analysis: Getting written permission

A small number of states allow deviations from their pay frequency requirements, as long as the employer gets written permission from employees.

But not all written documentation suffices.

As one example, an offer letter might not be enough to count as written permission, so check with your state before relying on something.

If your policy is part of a larger document, instead of merely referencing that document, include an excerpt on the page or pages the employee will be signing.

Cite: *Myers v. Iowa Board of Regents*, No. 3:19-cv-00081-SMR-SBJ, U.S. D.C., S.D. Iowa, Davenport Division, 3/29/22. Note: Dramatized for effect.

Industry news you can use

■ Expect bigger paychecks for teachers in Florida

If you process payroll for a Florida **public school**, you can expect major adjustments to salaries. That's because the governor announced raises on March 21, 2022.

In 2020, the average starting salary for a public school teacher in Florida was \$40,000, which was 26th in the nation. That's going up to \$47,000, which is ninth nationwide.

More info: bit.ly/florida644

■ 18% automatically added to meal bill: Service charge or tip?

If a **restaurant** adds a mandatory service charge to customers' bills, is that a "tip" under the Fair Labor Standards Act? No, the Eleventh Circuit Court of Appeals said in *Compere v. Nusret Miami, LLC*.

A group of tipped employees sued their employer, an upscale steakhouse. They said the 18% service charge that was automatically applied to

customers' checks was in actuality a tip – in part because the manager had the discretion to remove the fee from an unhappy customers' checks.

Therefore, they claimed, the employer shouldn't have used the money to pay minimum wage and overtime. The federal district court and appeals court disagreed, saying the employees had been properly paid.

More info: media.ca11.uscourts.gov/opinions/pub/files/202012422.pdf

■ Give 5 days' notice to employees about mandatory OT shifts

In Oregon, new legislation affects **bakeries and tortilla manufacturers**. According to SB 1513, an employer can't take an adverse employment action against an employee who refuses to work a mandatory overtime shift unless the employer provides at least five days' advance notice. The notice must include the date and time of the shift.

Effective Jan. 1, 2023.

More info: bit.ly/oregon644

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:

401(k) hardship distribution: What counts as financial need?

Q: The IRS regs allow a hardship distribution under a 401(k) plan for an immediate and heavy financial need. What are some examples of that?

A: First, it's worth noting that a need can be immediate and heavy even if it's reasonably foreseeable or voluntarily incurred. Some examples include medical expenses for the employee, the employee's spouse or the employee's dependents. An immediate and heavy financial

need might be the purchase of a principal residence for the employee – but that excludes mortgage payments. A 401(k) hardship distribution can also be taken for payments necessary to prevent eviction or foreclosure. Another need: payment of tuition for post-secondary education. There's also burial or funeral expenses for the employee's deceased parents, spouse, children or dependents. IRS regs list additional examples.

More info: www.irs.gov/retirement-plans/issue-snapshot-hardship-distributions-from-401k-plans

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.

- Publication 538, *Accounting Periods and Methods*. Revised January 2022. Posted 2/15/22.
- Form 1099-MISC, *Miscellaneous Income (Info Copy Only)*. Revised January 2022. Posted 2/15/22.
- *General Instructions for Certain Information Returns*. Revised 2022. Posted 2/17/22.
- Form 637, *Application for Registration (For Certain Excise Tax Activities)*. Revised April 2022. Posted 4/28/22.
- Publication 541, *Partnerships*. Revised March 2022. Posted 3/29/22.
- Publication 4436, *General Rules and Specifications for Substitute Form 941, Schedule B (Form 941), Schedule D (Form 941), Schedule R (Form 941), and Form 8974*. Revised March 2022. Posted 3/29/22.
- Form CT-1 X, *Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund*. Revised March 2022. Posted 3/29/22.
- *Instructions for Form CT-1 X*. Revised March 2022. Posted 3/29/22.

More info: Find links by going to www.keeptodateonpayroll.com/forms-and-publications-644

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

- **UNCLAIMED PROPERTY:** Be sure to send the Remit Report to the State Controller's Office between June 1, 2022, and June 15, 2022. If you owe more than \$2,000, you must use electronic funds transfer, effective Jan. 1, 2022. **More info:** www.sco.ca.gov/Files-UPD/upd_holder_remit_report_checklist.pdf

KENTUCKY

- **TAXABLE WAGE BASE:** The 2022 taxable wage base for unemployment insurance purposes had been \$11,100. But due to HB 144, it's returned to the 2021 amount of \$10,800, the Kentucky Career Center said March 25, 2022. **More info:** kewes.ky.gov

MARYLAND

- **PAID LEAVE:** SB 275 seeks to establish the Family and Medical Leave Insurance Program. Although the governor vetoed the bill on April 8, 2022, the Senate could override the veto. If that happens, employers and employees would need to make contributions, starting Oct. 1, 2023. Up to 12 weeks of paid leave would be available to employees, and the Maryland Dept. of Labor would be responsible for denying or approving employees' requests for leave. **More info:** mgaleg.maryland.gov/2022RS/bills/sb/sb0275E.pdf

NEW MEXICO

- **PAID LEAVE:** A paid family and medical leave task force has been created by Senate Memorial Bill 1. The task force is to report to the governor and the Legislature

by Oct. 1, 2022, recommending legislation for paid family and medical leave. **More info:** www.nmlegis.gov/Sessions/22%20Regular/final/SM001.pdf

NEW YORK

- **SICK LEAVE:** A final rule from the New York Dept. of Labor clarified aspects of the state's sick leave law, such as the requirement that employer's carry-over an employee's sick leave to the next calendar year. **More info:** dos.ny.gov/system/files/documents/2021/12/122221.pdf

OREGON

- **WITHHOLDING:** The Oregon Dept. of Revenue has clarified the withholding requirements for nonresident employers of nonresident employees. For services performed in Oregon, withhold Oregon income tax from their wages. However, you don't need to withhold if their state earnings for the year will be less than the standard deduction (e.g., \$2,420 for single and \$4,840 for married filing jointly). Either way, you'd need to report the state income on Form W-2. **More info:** bit.ly/Oregon644

UTAH

- **WITHHOLDING:** You don't need to withhold state income tax if a nonresident employee works in the state for 20 or fewer days, thanks to SB 39. **More info:** le.utah.gov/~2022/bills/static/SB0039.html

WASHINGTON

- **SALARY TRANSPARENCY:** Due to an amendment to the Equal Pay and Opportunity Act, the requirement to disclose salaries has been expanded. Currently, if an offer of employment has been made and the candidate requests salary info, employers must provide it. Starting Jan. 1, 2023, if your company has 15 or more employees, for each job posting,

you must provide the wage scale or salary range. In addition, you must provide a general description of all the benefits and other compensation to be offered. The law specifies that a "posting" can refer to an electronic or hard copy version of the job info. **More info:** bit.ly/washington644

WEST VIRGINIA

- **PAYCARDS:** Previously, to pay someone via payroll card, the employer and employee had to agree to that in writing. However, starting June 9, 2022, when SB 245 takes effect, an employer simply needs to provide full written disclosure of any fees associated with the paycard. So for example, if a new hire doesn't provide the info you need to set up direct deposit, you can utilize paycards instead. **More info:** bit.ly/wv644

THE LIGHTER SIDE

Here's a little state info that's based on something other than the Payroll "field":

Which state is most known for potato farming? If you guessed Idaho or Washington, you might want to temporarily change your answer to Maine.

Heat and dry weather led to a poor harvest this past season in the Western potato-growing states. Maine, though, had a bumper crop. Because of that, 21 million pounds of potatoes traveled from one coast to the other over the winter.

Although currently ranked ninth in the country in potato production, Maine held the No. 1 spot until the 1950s. So, Maine was just the state to help out in a time of need.

Cite: AP, "Westward Ho! Maine potatoes travel far after western drought," bit.ly/potatoes644