

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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August 1, 2022

IRS FORMS & REGS ALERT

The IRS is taking another look at many of the documents you use regularly, including tax forms. We'll keep you posted on any changes, such as new ways to report.

■ DEFINITION OF HIGHLY COMPENSATED EMPLOYEE

Item: Notice 97-45, *Highly Compensated Employee Definition*.

Background: The notice pertains to qualified retirement plans that contain a definition of highly compensated employee. The definition for these top-paid employees should reflect the changes to the Internal Revenue Code made by the Small Business Job Protection Act of 1996.

Comments due: 9/12/22.

Cite: *Federal Register*, 7/13/22.

■ CHANGING YOUR BUSINESS ADDRESS OR LOCATION

Item: Form 8822, *Change of Address*; and Form 8822-B, *Change of Address or Responsible Party – Business*.

Background: Businesses use the forms to notify the IRS that they've changed their address, location or the identity of a responsible party.

Comments due: 8/1/22.

Cite: *Federal Register*, 6/1/22.

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

Paying employees for COVID-19 screenings: Key developments

■ What's required before they enter the workplace

Only certain types of COVID-19 screenings will be permissible in the workplace going forward, the Equal Employment Opportunity Commission (EEOC) said in July 12, 2022, guidance.

While that clarity is welcome, a more pressing matter for Payroll has been: *Must employees be paid for time spent undergoing required COVID-19 screenings?* Now there's insight on that, too, thanks to a recent federal district court ruling.

Here's a closer look at these two key developments:

Court considered pre-shift activities

First, the court case. In *Pipich v. O'Reilly Auto Enterprises, LLC*,

an employee brought a Fair Labor Standards Act (FLSA) claim, saying he and other employees should have been paid for time spent undergoing pre-shift COVID screenings.

During the screening process, the employee answered a series of questions related to possible virus exposure and health symptoms, and he had his temperature checked.

On average, that took two to five minutes. Sometimes, though, depending on how long the line was, screenings lasted over five minutes.

The court never weighed in on whether that time was *de minimis* because it dismissed the case for

(Please see Screenings ... on Page 2)

Mismatched name/SSN? Employees have 8 days to act

As of July 15, 2022, employees whose names and Social Security numbers (SSNs) don't match during the E-Verify process have eight federal working days to contact the SSA.

That's after employers notify them of the mismatch (you continue to have 10 days to do that).

From March 2, 2020, to July 14, 2022, employees had extra time to resolve name/SSN mismatches.

The extended deadline was due to the COVID-19 pandemic, the Dept. of Homeland Security (DHS) stated in a July 7, 2022, announcement.

DHS further explained that the

final date for employees to resolve previously referred mismatches is Sept. 29, 2023.

Tweaks to terminology

Employers should also be aware of these recent changes in terminology:

- Tentative Nonconfirmation is now referred to as Tentative Nonconfirmation (Mismatch)
 - TNC is now Mismatch
 - Case Verification Number has become E-Verify Case Number, and
 - Contest is Take Action to Resolve.
- More info: bit.ly/mismatch650

Company owed \$90K for banking OT hours, making other FLSA mistakes

■ DIDN'T PAY TIME-AND-A-HALF THE REGULAR RATE OF PAY

Banking OT hours an employee works in one week and paying straight time rates for those hours in another week isn't allowed under the Fair Labor Standards Act (FLSA).

But that's what Valley Veterinary Associates did.

The Unadilla, NY, company also failed to keep accurate records of all hours worked.

What's more, the employer didn't maintain employees' compensation rates for workweeks in which they worked more than 40 hours.

The Dept. of Labor (DOL) conducted an investigation and told the veterinary hospital that its FLSA overtime and recordkeeping mistakes would come with a price tag.

The company owed \$90,869.96 to 39 employees – that broke down into

\$45,434.98 in back wages plus an equal amount in liquidated damages.

From week to week

The FLSA is clear that employees must be paid time-and-a-half the regular rate of pay for overtime hours. There's no give and take from week to week – rather, if an employee exceeds 40 hours of work in a workweek, overtime is due for that week.

State and local government agencies have the option of allowing employees to accrue compensatory time to be used in a later workweek.

But even when comp time is permitted, the rate must be one and one-half hours for each hour of overtime worked.

More info: www.dol.gov/newsroom/releases/whd/whd20220629-0

Screenings ...

(continued from Page 1)

another reason: The pre-shift screenings weren't "integral and indispensable" to his job, so that time wasn't compensable.

The court referenced the Dept. of Labor's guidance on COVID-19 and the FLSA – specifically FAQ #4, which contains an example of a hospital nurse providing direct patient care.

The court noted the difference between a nurse and the employee in the case, who was a truck driver delivering auto parts to stores.

According to the EEOC guidance

Let's say your company is doing COVID-19 screenings like the ones above. You're allowed to continue with those, the EEOC said.

As for administering a screening test before letting an employee enter the workplace, a **viral test** is permitted if it's "job related and consistent with business necessity." An **antibody test**, however, may not be used.

More info: bit.ly/screening650

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.

■ DID IRS CORRECTLY COMPUTE EMPLOYMENT TAX LIABILITY?

"Were you surprised when the IRS said your company should have classified Keith as an employee not an independent contractor?" Payroll Manager Pat Gray asked. Her friend Roberta had called during her lunch break for some advice.

"Yes, when we first received Letter 3523 from the IRS, I was concerned," said Roberta. "But ultimately, the company isn't contesting the classification. It's our employment tax liability that we disagree with the IRS about."

"How so?" asked Pat as she glanced at the clock, knowing her lunch break was about to end.

Misclassified employee

"I know you've heard of the Voluntary Classification Settlement Program," Roberta said. "We were participating in that, so the amount of tax we owed should have been lower. Plus, we shouldn't have been charged penalties and interest."

"That's bad news. I wonder if the IRS thinks you were already under an employment tax exam when you started with the program," Pat said, packing up her lunch bag.

"Yep, that's what the IRS told us," explained Roberta. "But we disagree about the timing of things, so we're going to fight this."

In Tax Court, Roberta's company asked for the case to be dismissed.

The IRS argued that the Tax Court didn't have jurisdiction to determine whether the tax liability was correct.

Did the company succeed?

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

From: **HR MORNING**
KEEP UP TO DATE ON **PAYROLL**

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Keep Up to Date on Payroll (ISSN 1076-3309), issue date August 1, 2022, Vol. 29 No. 650, is published semi-monthly except once in December (23 times a year).

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OCSE has proposed these updates to the National Medical Support Notice

■ CHANGES WOULD PROVIDE CLARITY WHEN COMPLETING THE FORM

If you've received a medical child support order recently, you may have noticed the current version of the form will expire soon – on Oct. 31, 2022. Meanwhile, changes are in the works for the next version of the form.

Nothing drastic, according to the Office of Child Support Enforcement (OCSE), but several updates to the National Medical Support Notice (NMSN) have been proposed.

The OCSE laid out its proposed changes in a *Federal Register* notice on May 5, 2022.

What you'd see

Here's what you can be on the lookout for when the final version of the form is released:

1. A slight rewording of Part A of the NMSN. For example:

- a sentence, reminding employers that information should be kept confidential and shouldn't be shared or disclosed with the employee, has been bolded
- the notice date has been moved to a more prominent position and

a line for the issuing agency's email address has been added

- the explanation in the "priority of withholding" segment has been rewritten, and a new, bolded sentence regarding what to do if the employee doesn't earn enough to pay all ordered support has been added
- in the "additional information for termination order/notice" segment, a note has been added regarding employees who want to continue coverage voluntarily, and
- the "employer response" segment contains three distinct sections.

2. A link to step-by-step supplemental instructions. While some instructions remain in the form, you'd be able to access more details.

3. A link to the State Medical Support Contacts and Program Requirements matrix. This will allow you to reach out to your particular state with questions if you encounter unclear situations.

4. Access to a Part A sample. Having an example to follow will take some of the guesswork out of completing the form correctly.

More info: bit.ly/medical650

Overhauled version of I-9 expected as fall approaches

Still no word on whether the proposed changes to Form I-9 will make the cut for the form's final version, expected by the fall of 2022.

U.S. Citizenship and Immigration Services (USCIS) issued a notice on March 30, 2022, saying changes were in the works and asking for comments from stakeholders.

The initial comment period ended May 31, 2022, and recently USCIS announced that a second comment period would end Aug. 8, 2022.

The clock is ticking for USCIS to roll out any changes: The current

version of the form has an expiration date of Oct. 31, 2022.

Changes you could see

As proposed, changes would include:

- reducing Section 1 and Section 2 from two pages to one page
- making Section 3 a supplement, with three separate areas, to be printed and used as needed
- adding a link to List C documents and acceptable receipts, and
- simplifying the instructions.

More info: bit.ly/verification650

NEWS YOU CAN USE

■ **FORM W-4 NOT LIKELY TO CHANGE FOR 2023**

If you're hoping the IRS will simplify Form W-4 so that employees won't have so many questions, don't hold your breath.

An early release draft of the 2023 form doesn't contain major changes. IRS posted the version to its website on July 15, 2022.

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

■ **IRS RELEASES STRATEGIC PLAN FOR FY 2022-2026**

In its five-year strategic plan, released in July 2022, the IRS said it aims to update its tax guidance in response to new investments and sources of income.

That includes cryptocurrencies and gig work, the IRS noted in the "enforcement" section of the 26-page plan.

Also according to the Service, there will be an increased push for voluntary compliance during FY 2022-2026.

More info: www.irs.gov/pub/irs-pdf/p3744.pdf

■ **TOP COMMUNITY BANKS: CHECK OUT THE 2022 LIST**

Did your bank make the list of top community lenders of 2022?

Independent Community Bankers of America has released its annual ranking, using data from the Federal Deposit Insurance Corp.

In the category of commercial bank, here are the top performers for each asset size:

- less than \$300 million – Barwick Banking Co., Barwick, GA
- \$300 million to \$1 billion – MRV Banks, Sainte Genevieve, MO, and
- more than \$1 billion – State Bank of Texas, Dallas.

More info: independentbanker.org/2022/07/who-were-icbas-top-lenders-of-2022

TEST YOUR KNOWLEDGE

■ Are you in compliance with DOL's guidance on retaliation?

The Dept. of Labor (DOL) recently released Field Assistance Bulletin 2022-02 on the topic of protecting workers from retaliation under laws which the DOL's Wage and Hour Division enforces, such as the Fair Labor Standards Act.

Test your knowledge of retaliation by answering *True* or *False* to the following:

1. Requesting payment of wages is an example of an employee's protected activity.
2. If a worker tells his manager that he's owed overtime wages and the worker turns out to be incorrect, that's still considered to be a protected activity.
3. The scope of adverse actions an employer is prohibited from taking is narrow.
4. An employee must make a complaint in writing for full protection from retaliation.

ANSWERS

Answers to the quiz:

1. *True.* Other protected activities a worker may engage in include refusing to return back wages to an employer, asking to take certain types of leave and making a complaint to a manager.
2. *True.* Even if a complaint is based on a mistaken belief, an employer can't retaliate against the employee.
3. *False.* An adverse action is anything that could dissuade an employee from engaging in a protected activity – for example, termination, reduction of work hours or rate of pay, elimination of premium pay and so on.
4. *False.* Whether workers complain orally or in writing, the laws prohibit retaliation.

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

Restaurant pocketed all tips employees received

Employer: Smoky Hearth LLC, operator of the Smoky Hearth Restaurant Bar and Grill, Sandy, OR.

Business: Restaurant.

Law broken: Fair Labor Standards Act's tip requirements.

Type of violation: The company pocketed all tips that employees earned. Instead of letting workers keep the tips customers had given them, Smoky Hearth LLC used the money to pay wages and other business expenses.

Penalty: \$17,087 in back wages for eight employees. The restaurant also had to pay \$1,257 as the result of the willful nature of the violations.

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

Employee took FMLA leave, then got fired

Employer: Commodity Sales Co., Los Angeles.

Business: Slaughterhouse and packing company.

Law broken: Family and Medical Leave Act (FMLA).

Type of violation: After a worker took FMLA leave, the company terminated the individual. The Wage and Hour Division determined that Commodity Sales Co. failed to provide the employee with FMLA information prior to the leave. Also, the company didn't inform the employee of available protections under

the law. Investigators also found other violations, such as failure to meet the recordkeeping provisions of the FMLA.

Penalty: \$11,209.

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

79 workers in Texas didn't receive time-and-a-half

Employer: Envirotech Mechanical Systems LLC, Montgomery, TX.

Business: Heating, ventilation and air conditioning contractor.

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

Type of violation: Didn't pay workers time-and-a-half their regular rate of pay for overtime hours.

Penalty: \$61,591 in back wages to 79 employees.

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

\$72K owed for multiple misclassification problems

Employer: A&G Auto Service and Repair Inc., operating as Magic Wheels Auto World Inc., Brooksville, FL.

Business: Auto repair shop.

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

Type of violation: A&G Auto Service and Repair Inc. misapplied the overtime exemption to two supervisors and also misclassified three workers as independent contractors instead of employees. They wrongly received flat salaries instead of earning overtime.

Penalty: \$72,174 for 12 employees.

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

Tracking local laws and regs

■ Philadelphia will soon require commuter transit benefits

On June 22, 2022, the Philadelphia mayor signed a new ordinance, the Employee Commuter Transit Benefit Programs. You have time to prepare, as the requirements will go into effect Dec. 31, 2022.

The ordinance states that certain employers must provide a mass transit and bicycle commuter benefit program to employees.

The program should include either:

- a pre-tax payroll deduction for mass transit or qualified bicycle expenses, or
- an employer-paid benefit for mass transit expenses.

Individuals who work an average of at least 30 hours per week within the city are covered.

More info: bit.ly/philadelphia650

■ Final rules on Family Friendly Workplace Ordinance here

The Office of Labor Standards Enforcement, covering both the city and county of San Francisco, has released a final version of rules allowing employees to take time off

to care for certain family members. The rules implement the San Francisco Family Friendly Workplace Ordinance.

Under that ordinance, barring undue hardship, an employer must provide an employee with a flexible or predictable work schedule if that individual requests time off to care for their:

- children
- family members with serious health conditions, or
- family members aged 65 or older.

The office released the new rules on July 7, 2022.

More info: sfgov.org/olse/family-friendly-workplace-ordinance-ffwo

■ Residents of Jersey City still exempt from 1% payroll tax

Employers in Jersey City, NJ, have had to pay a 1% payroll tax to fund public education since 2019. However, employers are exempt from paying the tax for residents of the city.

Recently, the Supreme Court of New Jersey considered whether the residency exemption from the payroll tax violates the Commerce Clause of the U.S. Constitution. It doesn't, the

PRODUCTIVITY BOOSTERS

■ Maintaining timekeeping information with app

A new app from the Dept. of Labor (DOL) will help employees using Android devices to track hours worked, breaks and overtime and to calculate wages due.

The DOL had previously released an iOS version of the app.

With the Timesheet App, workers can ensure their timekeeping info is accurate, whether they're paid hourly, on a salary basis or by the piece.

More info: www.dol.gov/newsroom/releases/whd/whd20220630

court said. Therefore, you don't have to start withholding the tax from employees who live in Jersey City.

More info: bit.ly/jerseycity650

■ Certain locations in Oregon see minimum wage rates climb

The minimum wage in the Portland metro area of Oregon increased on July 1, 2022, from \$14 per hour to \$14.75. As for nonurban counties in the state, the rate has also increased – from \$12 per hour to \$12.50.

More info: bit.ly/portland650

REAL PROBLEMS, REAL SOLUTIONS

Ran regular reports to identify inconsistencies with employee data

To ensure accuracy with tax withholdings and payments, Payroll needed to know about any discrepancies between employees' work states and resident states.

Problem was, when our organization brought on new hires, our department wasn't responsible for entering data in our human resources information system (HRIS).

On top of that, if employees moved or started teleworking, the data in our HRIS might change – and we wouldn't receive notification of that.

So, we knew we had to take the responsibility upon ourselves in

Payroll to monitor employee info. The most efficient approach was to utilize the reporting options in our system. In fact, I started running any report that I could in our HRIS – in an effort to be thorough.

From rates to reporting

We're a school, and we have teachers coming in from all over the country to work in our state.

Let's say we ran a report and noticed one of our newer employees had a Montana address. Considering that we're located in Texas, that would be a red flag. Our next step if we found a mismatch was to get in

touch with the employee and ask that person to fill out a form answering basic questions – e.g., work location, residence location, role with the school.

Perhaps we'd find out someone was working remotely and we could make the necessary tax changes, from rates to reporting. Or maybe a new hire just hadn't updated his or her address after a move.

This continuous review of info allows us to identify inconsistencies and ensure accuracy with taxes.

(Kevin Valuet, CPP, former payroll director, Idea Public Schools, Weslaco, TX)

A push for increased e-filing – even with amended returns like 941-X

■ NO NEED TO REPEAT TANGLED MESS THAT RESULTED DURING PANDEMIC

The IRS should accept more returns electronically – and that includes amended returns such as Form 941-X. So said the Electronic Tax Administration Advisory Committee (ETAAC).

Taking a closer look at e-filing in its *Annual Report to Congress*, ETAAC noted only 55% of TY 2020 employment tax returns like Form 941 were filed electronically.

Worse, employers don't even have the option of filing amended returns electronically, ETAAC pointed out in the June 2022 report.

That led to a tangled mess during the pandemic. More employers than usual needed to file Form 941-X due to all the legislative changes, many of them retroactive. Employers had no choice but to send the forms through snail mail to the IRS – where the papers ended up sitting in stacks of unprocessed returns.

The ETAAC report included the example of the Employee Retention

Credit (ERC), enacted under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020.

The CARES Act was expanded in December 2020 and then again in March 2021. In November 2021 the ERC expansion ended suddenly and retroactively.

E-filing would have helped. As it was, submission and processing delays meant lost revenue for businesses trying to claim the payroll tax credit.

What's recommended

According to ETAAC, the processes and systems for payroll and information returns need to be “reimagined for a digital world.”

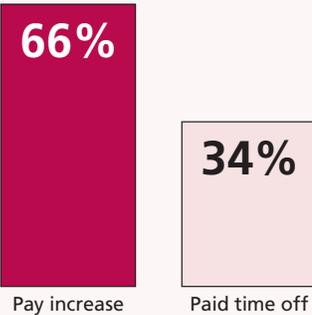
Therefore, ETAAC recommended, the IRS should work in partnership with states and software providers. A long-term roadmap is needed so stakeholders have a seamless experience across all IRS systems.

In another recommendation, the committee called on Congress to provide flexible, multiyear funding. Furthermore, this should be in place

WHAT PAYROLL PROS TOLD US

What employees prefer

Would you prefer a 10% pay increase or an additional week of paid time off?



Source: The Harris Poll on behalf of CareerBuilder, 2022

You know that employees' appreciation of their paychecks goes beyond their rate of pay. They value the accuracy and timeliness that you provide each pay period as well.

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

prior to Oct. 1, 2022. Why? IRS staff need training on the new Internet portal for e-filing Forms 1099. Note: It's modeled on SSA's Business Services Online, which Payroll has long used to submit Forms W-2. Starting with TY 2022, A/P will use the new portal to electronically submit Forms 1099.

More info: bit.ly/electronic650

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

No, the Tax Court didn't throw out the case as the company had requested.

But neither did the Tax Court side with the IRS, which had argued the court didn't have the authority to weigh in on the dispute. The court reinforced its own jurisdiction to decide the amount of tax liability – in other words, the court's jurisdiction went beyond simply determining whether a worker should be classified as an employee or independent contractor.

While the company insisted that it met all the requirements for participation in the Voluntary Classification Settlement Program (VCSP), the IRS said there was one key problem: The worker's misclassification didn't come to light until the IRS conducted an employment tax audit.

The court ruled there was a dispute about whether an employment tax audit had occurred, so the court couldn't

grant summary judgment. Instead, the company's costly legal battle would continue.

Analysis: Classification and employment tax

The VCSP provides an opportunity for employers to reclassify their workers as employees and begin to pay federal employment tax. Also, participating employers:

- will pay only 10% of the employment tax that would have been owed on compensation paid in the most recent tax year
- won't owe any penalties and interest, and
- won't have to go through an employment tax audit related to the workers being reclassified.

One of the requirements for participation in VCSP is that an employer can't already be undergoing an employment tax audit.

Cite: *Treece Financial Services Group v. Commissioner of Internal Revenue*, Docket No. 20850-19, U.S. Tax Court, 4/19/22. Note: Dramatized for effect.

Industry news you can use

■ Due to trouble hiring lifeguards, these minors can work overtime

Colorado has granted a temporary waiver because many local governments have had difficulty finding lifeguards – pools have delayed opening or hours have been reduced.

Through Labor Day of 2022, 16- and 17-year-old minors can work limited overtime as lifeguards if they're employed by the public sector including "special districts" that run parks or recreation facilities.

Note: Private pools aren't included but can request waivers.

More info: bit.ly/pools650

■ Survey on prevailing wages paid to building construction workers

The federal Dept. of Labor (DOL) is collecting wage data from the building construction industry in Maine.

The DOL wants to set prevailing wage rates for the metropolitan counties of Maine. The agency is

interested in any projects, not just those that were federally funded, from March 1, 2021, and April 30, 2022.

If you decide to participate in the survey, you have until Oct. 14, 2022, to submit data on actual wages and fringe benefits paid to workers.

More info: www.dol.gov/newsroom/releases/whd/whd20220706

■ Credit card processing fees can be deducted from tips, if ...

Legislation providing protection to tipped employees became law on June 25, 2022, in Rhode Island.

Employers can't keep any portion of an employee's tips, the law says. There's an exception for tips charged on a credit card – if the employer must pay the credit card company a percentage on each sale, that amount can be deducted from an employee's tips. The employer must notify the employee of the deduction, though. Also, employees can't earn less than minimum wage as a result.

More info: bit.ly/tipped650

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:

Is a Micro-Entry based on more than just transaction amount?

Q: If we issue a refund via ACH, let's say for 22 cents, does that count as a Micro-Entry subject to the new Nacha Micro-Entry Rule which will take effect Sept. 16, 2022?

A: Transaction amount alone won't determine whether you're subject to the Nacha Micro-Entry Rule. Not every payment that's less than \$1 is a Micro-Entry, says Debbie Barr, Nacha Senior Director, ACH Network Rules

Process and Communications. What's important is whether the payment is being used for account validation. If that's the case, you should use "ACCTVERIFY" in the Company Entry Description field, noted Barr. Otherwise, don't include that description, she said. The new rule which takes effect in September defines Micro-Entries as *ACH credits of less than \$1 and any offsetting ACH debits, used for the purpose of verifying a receiver's account.*

More info: www.nacha.org/news/if-its-under-1-it-automatically-micro-entry

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 3415, *Electronic Tax Administration Advisory Committee Annual Report to Congress*. Revised June 2022. Posted 6/28/22.
- *Instructions for Form 5300, Application for Determination for Employee Benefit Plan*. Revised June 2022. Posted 6/28/22.
- Form 8717, *User Fee for Employee Plan Determination Letter Request*. Revised June 2022. Posted 6/28/22.
- *Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY*. Revised June 2022. Posted 6/28/22.
- Publication 16, *Statistics of Income, Corporation Income Tax Returns Complete Report 2019*. Revised June 2022. Posted 6/29/22.
- Publication 1179, *General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns*. Revised July 2022. Posted 7/22/22.
- *Fingerprint Card Instructions For Voluntary Certification of Professional Employer Organizations*. Revised June 2022. Posted 7/5/22.

The Purpose of *Keep Up to Date on Payroll*

Keep Up to Date on Payroll helps Payroll practitioners stay current with all the changing laws and regs.

The quick-read, easy-to-understand format gets right to the point, so you don't have to waste any time.

Keep Up to Date on Payroll provides timely information about new laws and regs, and gives you a heads up about coming changes – so you have plenty of time to prepare.

State law and reg changes Payroll needs to know

Don't see your state here? You can find additional state and local items online – it's included with your subscription. Check out our interactive map, too. Log on today!

COLORADO

- **PAID SICK LEAVE:** The Colorado Dept. of Labor and Employment updated Interpretive Notice & Formal Opinion (INFO) #6B on June 24, 2022. According to INFO #6B, which expounds upon paid leave requirements under the Healthy Families and Workplaces Act, employers must provide all employees with 48 hours of paid leave per year for a variety of health and safety reasons. Employees earn the leave at a rate of one hour for every 30 hours worked. The law covers even part-time and temporary employees. **More info:** cdle.colorado.gov/infos

CONNECTICUT

- **MINIMUM WAGE:** The state's minimum wage went up to \$14 per hour on July 1, 2022. The rate had been \$13. And heads up: The rate is scheduled to increase by another dollar next year. **More info:** bit.ly/connecticut650

DELAWARE

- **WITHHOLDING:** The Delaware Taxpayer Portal is now open, the Delaware Division of Revenue said recently. For example, employers can use the portal to file withholding returns. **More info:** revenue.delaware.gov

HAWAII

- **MINIMUM WAGE:** An increase of the state's minimum wage rate will be phased in. The current rate of \$10.10 per hour will go up to \$12 on Oct. 1, 2022, and then up to \$14 starting Jan. 1, 2024; \$16 in 2026; and \$18 in 2028. The

changes are the result of HB 2510, which became law on June 23, 2022. **More info:** bit.ly/hawaii650

IDAHO

- **WITHHOLDING:** Payroll practitioners in Idaho have to deal with midyear changes to income tax withholding rates. The Idaho State Tax Commission announced on July 6, 2022, that withholding tables have been updated for 2022. You don't need to adjust the rate retroactively but should use the revised tables for the remainder of the year. **More info:** bit.ly/idaho650

IOWA

- **TAXABLE WAGE BASE:** In 2023, the unemployment insurance taxable wage base will increase to \$36,100. Currently, it's \$34,800. That's according to a June 20, 2022, Iowa Workforce Development announcement. **More info:** bit.ly/iowa650

LOUISIANA

- **TAXABLE WAGE BASE:** HB 192 has set next year's wage base for unemployment insurance purposes at \$7,700. That means there will be no change in the taxable wage base from 2022 to 2023. **More info:** bit.ly/louisiana650

NEVADA

- **MINIMUM WAGE:** On July 1, 2022, the minimum wage rate increased to \$9.50 per hour for employers offering qualifying health benefits (was \$8.75) and \$10.50 per hour for employers not offering benefits (was \$9.75). **More info:** labor.nv.gov

NEW MEXICO

- **PAID SICK LEAVE:** The Healthy Workplaces Act of 2021 took effect July 1, 2022. Employers must allow employees to accrue at a rate of one hour for every

30 hours worked, starting on their first day. If your paid time off policy is more generous than what the law requires, you'll be in compliance if employees can use the leave for the same purposes the law specifies. **More info:** www.dws.state.nm.us/NMPaidSickLeave

NEW YORK

- **WAGE DEDUCTIONS:** A10181 has extended the state's wage deduction law again. The law would have expired Nov. 6, 2022, which was an extension itself. Now the law will expire Nov. 6, 2024. Under the law, deductions for the overpayment of wages is allowed, provided that the overpayment was related to a mathematical or other clerical error. The law permits other deductions, such as those for the repayment of salary advances. **More info:** bit.ly/newyork650

THE LIGHTER SIDE

It's summer – many employees are enjoying sunshine and relaxation during company holidays.

While it's typical for employers to provide time off on Memorial Day, the 4th of July and Labor Day, there are some lesser-known holidays you may find interesting. For example, on July 1 you can celebrate:

- International Joke Day
- National Television Heritage Day
- Zip Code Day
- International Reggae Day
- American Zoo Day
- Creative Ice Cream Flavor Day
- Drive Your Corvette to Work Day
- Early Bird Day
- Resolution Renewal Day, and
- National Financial Freedom Day.

Cite: www.holidays-and-observances.com/july-1.html