

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

KEEP UP TO DATE **on** PAYROLL™

August 15, 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.

■ INDIVIDUAL RETIREMENT ACCOUNT TRUSTS

Item: Form 5306 Application for Approval of Prototype or Employer Sponsored Individual Retirement Account.

Background: Employers submit this application to the IRS to establish an individual retirement account trust to be used by employees.

Comments due: 9/20/22.

Cite: Federal Register, 7/22/22.

■ 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.

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

Court: Employer failed to give 60 days' notice before layoffs

■ 2 ways Payroll can ensure WARN Act compliance

Before closing a plant or conducting mass layoffs, your company may need to give employees 60 days' notice. One company that failed to do that in March 2020 thought it had a valid reason: COVID-19.

But the Fifth Circuit Court of Appeals disagreed.

When U.S. Well Services Inc. laid off a group of workers effective immediately, the company violated the Worker Adjustment and Retraining Notification (WARN) Act, the federal appeals court recently ruled.

Not a 'natural disaster'

The question before the court was: Does COVID-19 qualify as a natural disaster under the WARN

Act? After all, the law does allow several exceptions to the notification requirement – one of them is that a natural disaster has occurred.

The court referred to the Dept. of Labor (DOL) regulations which state that natural disasters include floods, earthquakes, droughts, storms, tidal waves or tsunamis and "similar effects of nature." The COVID-19 pandemic didn't meet the definition of natural disaster, the court decided.

Note: The DOL regs also specify that a plant closing or mass layoff has to be the direct result of a natural disaster for the exception to apply.

Now, the class-action lawsuit is

(Please see Layoffs ... on Page 2)

ID theft scams likely contain these 2 traits, says IRS

Scammers seeking to access important data, such as that found in Payroll, are continually trying new schemes, the IRS said recently as part of its 2022 Security Summit.

Despite the fresh attempts thieves make to obtain personal information such as Social Security numbers, two traits usually turn up.

Knowing these characteristics can help you protect valuable data.

First, phishing emails or SMS/texts appear to come from a known or trusted source, such as these:

- colleague
- bank

- credit card company
- cloud storage provider
- tax software provider, or
- IRS or other government agency.

Second, the emails or SMS/texts present a false narrative, often with an urgent tone.

Strengthening security

The IRS also warned against weak security if you use cloud-based systems to store identifying information.

Multi-factor authentication is key, especially using phone, text or tokens.

More info: bit.ly/security651

DOL: Common misconception with salaried employees and overtime

■ FLORIDA COMPANY OWED \$175K FOLLOWING DOL INVESTIGATION

Salaried employees aren't necessarily exempt from overtime, the Dept. of Labor (DOL) stated recently.

It's a point of misconception for many employers, the DOL said, using Pest Eliminators Inc. as an example.

When the Port Charlotte, FL, pest control company underwent a DOL investigation, it learned certain salaried workers should have been receiving overtime.

Investigators also informed the business of other violations, such as deducting time for lunch breaks for employees who didn't stop working during that time.

Another problem? Pest Eliminators didn't include commissions in the regular rate of pay when doing overtime calculations.

For these Fair Labor Standards

Act violations affecting 59 workers, the DOL determined the company owed \$175,587 in back wages and liquidated damages.

Reminders for managers

Making sure employees are paid a salary is a necessary component of correctly classifying them as exempt from overtime.

However, if their duties don't meet the FLSA standards for exemption, remind managers and others in your organization that you'll need to pay them time-and-a-half for hours that exceed 40 in a workweek.

Bottom line: When deciding if workers are exempt from overtime, salaries and duties go hand in hand.

More info: www.dol.gov/newsroom/releases/whd/whd20220718

Layoffs ...

(continued from Page 1)

back in the hands of the lower court, which means the company could be facing penalties.

Reason: Companies that fail to comply with the notification provision of the WARN Act owe affected employees back pay and benefits for each day of violation – up to 60 days.

For you in Payroll, here are two considerations as you're trying to comply with the WARN Act:

- The law doesn't specifically say employers can offer 60 days of pay and benefits in lieu of a notice. However, the DOL points out in its FAQs that employers who do that have already met the penalty. Other laws should be considered, though.
- Ensure that employees on leave – e.g., sick, vacation, maternity – receive the 60-day notice. That's necessary if there's a reasonable expectation they'll return to work at the end of their leave.

Cite: *Easom v. U.S. Well Servs.*, No. 21-20202, CA5, 6/15/22.

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.

■ WHAT DID PAYSTUB SHOW ABOUT EXEMPT STATUS?

Payroll Manager Pat Gray hadn't seen her cousin Emerald for years. "Good to see you!" Pat said, giving her a big hug. "I've missed these family reunions."

"Me, too," said Emerald. "I'm sure glad I didn't have to work today so I could be here."

"So, how's the new nursing job with the county going?" asked Pat.

Picking up extra hours

"All right," said Emerald. "They're short on RNs like me, so they ask me if I want to pick up extra hours, and I usually say yes."

"Hey, you might know the answer to this question," Emerald added. "Shouldn't they be paying me OT when my hours go up over 40 hours? I mean, I noticed that they have an hourly rate on my paystub, but that rate doesn't change even when I work OT."

"I'm pretty sure you'd be exempt from overtime," said Pat. "As for the paystubs, their payroll system might make them include an hourly rate. Also, I'm guessing you have an agreement with your employer where you work extra hours as sort of a separate job?"

"That's right," said Emerald. "But here's another thing: My friend showed me her paystubs, and I asked her about the 'Z' I saw on it. She said that means she's exempt from overtime. I don't have that letter on my paystubs."

Later, Emerald sued her employer for unpaid OT. The employer fought back. Did it get the case dismissed?

■ *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 15, 2022, Vol. 29 No. 651, is published semi-monthly except once in December (23 times a year).

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More states have laws requiring notice of electronic monitoring

■ WHAT CURRENT EMPLOYEES AND NEW HIRES NEED TO BE TOLD

No matter what timekeeping method your company uses, supervisors may wonder if employees are working when they say they are.

But before your company utilizes electronic monitoring to find out, Payroll may want to pass along the latest info on state laws.

In New York, for example, a new law took effect May 7, 2022. It requires private employers to provide written notice to employees about any electronic monitoring, explains Cassidy Mara, Labor and Employment Attorney of Akerman's New York office.

New hires and current employees in that state must be informed of electronic surveillance. That covers telephone conversations, emails, Internet usage and more.

Post the electronic monitoring notice in a conspicuous place where impacted employees will see it – and have them acknowledge receipt of the notice, advises Mara.

Additional laws

She also notes that employers across the country should be on the

lookout for additional states passing similar laws.

Connecticut already has an electronic monitoring law. Written notice must be given to employees if they're being electronically monitored. The restrictions don't stop there – for one thing, employers can't request or require usernames and passwords for the personal online accounts of newly hired or current employees.

A Delaware electronic monitoring law requires companies to communicate with employees either 1) a single time in writing with an acknowledgment or 2) at least once during each day the employee uses employer-provided email or Internet access services.

In California, Mara tells employers, the issue of whether telephone and Internet monitoring is permitted hinges on whether the employee has a reasonable expectation of privacy.

Finally, in Texas, keeping tabs on electronic communication is an invasion of privacy, she says. Some telephone monitoring is allowed, but employers must inform workers first.

More info: www.akerman.com/enl/perspectives/hr-def-the-boss-is-watching-but-many-states-impose-requirements-for-surveillance-at-work.html

Filling out 1095-C and 1094-C for Tax Year 2022

Wondering what Form 1095-C and Form 1094-C will look like when it's time to prepare them for Tax Year 2022?

The IRS released draft versions of the forms on July 12, 2022.

As things now stand, you won't see any major changes from the forms you submitted to the IRS for Tax Year 2021.

Changes to premium tax credit

That's the case even though the Treasury Dept. recently proposed regulations on the affordability of

employer healthcare coverage for family members of employees.

Under the Affordable Care Act, employees may be able to receive the premium tax credit if their employer's healthcare coverage isn't affordable.

For 2022, "affordable" means the plan's premiums cost 9.61% or less of an employee's household income.

But the April 7, 2022, regs seek to change the way affordability is determined by including the cost of coverage to family members, not just to the employee.

More info: irs.gov/form1095c

NEWS YOU CAN USE

■ TEMPORARY POLICY EXPIRED FOR LIST B DOCUMENTS

The Dept. of Homeland Security (DHS) issued a reminder on July 22, 2022, regarding Form I-9.

The COVID-19 temporary policy for expired List B identity documents has ended, DHS said.

Make sure you caught these two keys dates reiterated by DHS:

- April 30, 2022 – last day you could accept an expired List B document, and
- July 31, 2022 – deadline for updating Forms I-9 if an employee presented an expired List B document.

More info: bit.ly/documents651

■ PROPOSED REGS FROM IRS ON DB PENSION PLANS

The IRS has proposed regs determining mortality tables for defined benefit (DB) pension plans. The Internal Revenue Code requires the tables to be updated at least every 10 years.

The changes would apply to plan years beginning on or after Jan. 1, 2023.

More info: bit.ly/dbplans651

■ JUNETEENTH: LEGAL HOLIDAY IN ABOUT HALF OF STATES

The federal government made Juneteenth National Independence Day a legal holiday in 2021, and about half of states have done the same.

In 2022, according to the Pew Research Center, 24 states and the District of Columbia legally recognized Juneteenth as a state holiday. That meant they closed state government buildings and gave state workers paid time off. Next year, Connecticut will be added to the list.

For you in Payroll, the holiday means possible changes to tax deposit deadlines.

More info: pewrsr.ch/3bp8BLr

TEST YOUR KNOWLEDGE

■ What are the box-by-box requirements of Form W-3?

Getting Forms W-2 ready to send to SSA can keep you busy, so you may not have much time to think about the transmittal: Form W-3.

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

1. The "Third-party sick pay" indicator box should only be checked if you're the payer.
2. In box b, which asks what kind of payer you are, if you're a church, you should check the 941 option even if you're not required to file a 941, 941-SS or 944.
3. In box c, where you're indicating total number of Forms W-2, you should leave voided forms out of the count.
4. Although you shouldn't truncate your employer identification number (EIN) on Forms W-2, you can do so on the transmittal for security reasons.

ANSWERS

- Answers to the quiz:
1. *False*. You can also check that box if you're reporting sick pay payments made by a third party. Also, you only need to file one W-3 even if you're submitting both regular and "Third-party sick pay" Forms W-2.
 2. *True*. If you're a church or church organization, check this option.
 3. *True*. Don't count forms marked "VOID" in your tally of completed Forms W-2 that you're sending to SSA along with the W-3.
 4. *False*. Include the full nine-digit EIN on Form W-3 as well as all Forms W-2 – the number should match Form 941, etc. Don't use a prior owner's number. If you don't yet have an EIN, in box e enter: "Applied for."
- More info: www.irs.gov/pub/irs-pdf/w3.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.

NY manufacturer requests 'green cards,' pays \$220K

Employer: LNK International Inc., Hauppauge, NY.

Business: Pharmaceuticals manufacturer.

Law broken: Anti-discrimination provision of the Immigration and Nationality Act (INA).

Type of violation: Asked for unnecessary and specific documents from lawful permanent residents. Specifically, LNK asked them to show their Permanent Resident Cards (aka "green cards") to prove their work authorization while U.S. citizens could choose which acceptable document to show.

Penalty: \$220K in civil penalties as part of a settlement. Plus, LNK will train its employees on INA requirements and be subject to monitoring for three years.

Government office: Dept. of Justice, Civil Rights Division.

FLSA hours requirements for minors not followed

Employer: Fred Flounder Inc., operating as Flounder's Chowder House, Gulf Breeze, FL.

Business: Restaurant.

Law broken: Fair Labor Standards Act's (FLSA's) child labor, overtime and recordkeeping requirements.

Type of violation: The restaurant failed to pay sushi chefs overtime, instead giving them a flat salary, and didn't keep accurate records of hours worked. Also, the employer let seven 15-year-old employees work later and more hours than allowed. In addition, Flounder's Chowder House didn't provide

workers with FLSA info either through its handbook or a poster.

Penalty: \$26,776 in back wages for the 10 chefs and a civil money penalty of \$5,138.

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

Gas station didn't include bonuses in OT calculations

Employer: Kwik Shop Stores Inc., Wetumpka and Montgomery, AL.

Business: Gas station.

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

Type of violation: Didn't include bonuses when calculating overtime and failed to keep accurate records.

Penalty: \$62,568 in back wages and liquidated damages for 22 current and former cashiers; \$8,228 in civil money penalties.

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

Independent contractors? No, said Dept. of Labor

Employer: Sandpiper Autobody, Pleasant Grove, UT.

Business: Auto body shop.

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

Type of violation: The company misclassified 13 technicians as independent contractors and failed to pay them overtime. Plus, Sandpiper Autobody didn't keep accurate pay and time records.

Penalty: \$47,175 in back wages to 13 workers.

Government office: Dept. of Labor, Wage and Hour Division, Salt Lake City district office.

Tracking local laws and regs

■ Public health emergency leave coming to San Francisco

A new ordinance will take effect in San Francisco on Oct. 1, 2022.

That's because voters recently passed Proposition G, Public Health Emergency Leave. Under the ordinance, employers with more than 100 employees will need to provide paid public health emergency leave for their employees in the city. The leave will be capped at 80 hours per year.

More info: sfelections.sfgov.org/june-7-2022-election-results-summary

■ California grants extension to make tax deposits, file returns

The California Employment Development Dept. (EDD) is offering emergency and disaster assistance for employers in three counties.

They are:

- Mariposa County (due to the oak fire)
- Monterey County (due to the wildfire), and
- Santa Barbara County (due to the wildfire).

If your company is located in one of those locations, you may request

up to a two-month extension to file its California payroll reports and/or deposit its state payroll taxes without penalty or interest.

Employers have limited time to submit a written, extension request to the EDD – i.e., within two months of the original delinquent date of the payment or return.

More info: edd.ca.gov/en/payroll_taxes/Emergency_and_Disaster_Assistance_for_Employers

■ 7 Oklahoma counties granted tax relief after storms hit

After severe storms, tornadoes and flooding hit sections of Oklahoma earlier this year, the IRS announced tax relief. That is, certain tax deadlines have been postponed in seven counties.

The counties are: Adair, Cherokee, Muskogee, Okmulgee, Pottawatomie, Seminole and Tulsa.

For example, forms such as quarterly payroll returns normally due on or after May 2, 2022, and before Sept. 1, 2022, are now due by Sept. 1, 2022.

More info: bit.ly/oklahoma651

PRODUCTIVITY BOOSTERS

■ Find what you need fast on your computer desktop

What kind of system do you have for naming the folders and files you store on your computer desktop? Of course, finding what you need quickly can depend on how good your system is.

Here are some tips to consider:

- To reduce clutter, put all files in folders.
- Put keywords first in your names.
- Avoid long folder names that will get cut off.
- If you use dates, keep the format uniform – e.g., YYYYMMDD.

■ In MT, extended time for filing returns, making tax deposits

Six Montana counties – Carbon, Park, Stillwater, Sweet Grass, Treasure and Yellowstone – have extra time to file certain tax returns and make tax deposits. That's because of a severe storm and flooding that occurred starting June 10, 2022.

The IRS says if tax deposits were made by June 27, 2022, penalties will be abated. Also, returns filed by Oct. 17, 2022, won't be considered late.

More info: bit.ly/montana651

REAL PROBLEMS, REAL SOLUTIONS

Software upgrade: Jumping in early allowed us to put features to use

We were happy with the software our company had relied on for years to meet our payroll needs.

In our case, our organization used enterprise resource planning (ERP) software.

Our ERP software includes various functions – from payroll to expenses to product management.

When our software provider released a significant upgrade to the product we used, we thought about when we might make the switch.

The provider wasn't pressuring us – in fact, we could have waited years to start using the new version.

But on a closer look, we realized the upgrade had a lot of features that would be advantageous to us.

Doing reversals

The case for jumping in early was stronger than waiting for our current product to be phased out. So, we said yes to upgrading early.

We were going from a platform to a browser-based interface.

While the switch didn't require implementation, we did have to adjust to some new aspects.

But that's to be expected.

One feature Payroll appreciates

is being able to conveniently do reversals. Another aspect everyone likes is having a quick view of the different access options, such as mobile devices. With this, employees can utilize vital information in a snap when they're on the road.

Knowing when to wait and when to move forward with software changes can be tough.

For us, if we would have waited a couple years, we would have been missing out during that time.

(Julia DiRusso, controller, Patterson & Dewar Engineers, Norcross, GA)

Report shows rate of 4% or more is common with auto enrollment plans

■ NEW HIRES TYPICALLY CAN MAKE CONTRIBUTIONS RIGHT AWAY

New research reveals what effect deferral rates have on employees who've been automatically enrolled in employer-provided retirement plans.

You might think a higher initial deferral rate (5% or 6%) would cause more employees to drop out of the automatic enrollment plan than a lower rate (2% or 3%) would.

But that's not the case, according to Vanguard's *How America Saves 2022* report.

So, what rates are other employers using for automatic enrollment? The report shows that in 2021, 58% of plans used a default rate of 4% or more – for 42% of plans, the rate was 3% or less.

The majority of plans began using a default rate of 4% or more in 2018, with 53% doing so in that year and the number climbing steadily since then.

No matter what rate you use, automatically enrolling employees in retirement plans increases

participation rates, as would be expected. In fact, plans with voluntary enrollment have a 66% participation rate. Compare that to the 93% participation rate of plans with automatic enrollment.

And don't forget about automatic escalation – i.e., gradually increasing the contribution rate year after year.

That's utilized by two-thirds of automatic enrollment plans, as stated in the Vanguard report.

All told, the average participant deferral rate in 2021 was 7.3%.

Of course, the IRS caps the annual dollar amount that can be contributed to retirement plans – e.g., it's currently \$20,500. The report revealed 14% of participants hit the IRS limit in 2021.

No need for 1-year wait

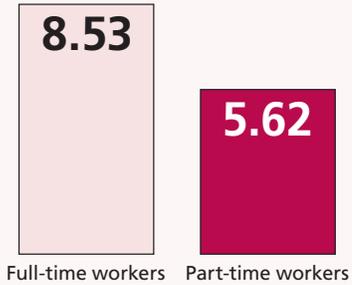
Most plans offer immediate eligibility for employee contributions, and that's trending upward:

- 2018 – 69%
- 2019 – 69%
- 2020 – 71%
- 2021 – 72%

WHAT PAYROLL PROS TOLD US

Hours worked

On an average weekday, how many hours do you work?



Source: Bureau of Labor Statistics, American Time Use Survey

New data from 2021 reveals that part-time workers put in about five hours a day – i.e., less than 30 hours a week. Bear in mind, various laws define PT/FT differently.

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

As for matching contributions, plans are becoming less likely to make new hires wait for that perk, with only 18% requiring one year of service as a prerequisite in 2021. The rate was 20% in 2020, 22% in 2019 and 23% in 2018.

More info: institutional.vanguard.com/how-america-saves/overview.html

SHARPEN YOUR JUDGMENT – THE DECISION

(see case on Page 2)

Yes, the court dismissed the case.

The primary issue wasn't whether the employee *thought* she was nonexempt or exempt from overtime but whether she *was actually paid* hourly or on a salary basis.

Although several elements of her paycheck seemed to indicate she was nonexempt and paid hourly, the employer was able to show that wasn't the case.

One example: The employee pointed out that her paychecks listed an hourly rate of pay.

The employer explained that it paid the employee an annual salary but converted that amount to hourly pay due to its payroll system configuration. In other words, it was an administrative convenience.

Another example: Her paychecks didn't include the letter Z, the employer's indicator that an employee was exempt from overtime.

The employer's reason: Even though she was exempt from the Fair Labor Standards Act's requirements, she nonetheless received overtime based on the terms of a memorandum of understanding.

The court noted that when the employee chose to pick up additional hours for the employer beyond her regularly scheduled hours, that was a second type of job – and that job had a different pay structure.

Analysis: How else could you say that?

Clear communication with employees is one tool for trying to steer clear of legal trouble.

To gauge how employees perceive paystubs they receive from you, ask a few trusted colleagues to tell you what they think certain line items mean. Consider whether there's an alternate choice of wording or different codes you could use.

Cite: *Litvinova v. The City and County of San Francisco*, Case No. 18-cv-01494-RS, U.S. D.C., N.D. California, 7/15/22. Note: Dramatized for effect.

Industry news you can use

■ These LA healthcare workers to be paid at least \$25 per hour

Certain private healthcare facilities soon must pay healthcare workers employed in Los Angeles at least \$25 per hour.

The rate set by the Healthcare Workers Minimum Wage Ordinance applies to a wide range of positions, such as clinicians, nurses, aides, technicians, maintenance workers, janitorial workers, guards, laundry workers and pharmacists.

The mayor signed the ordinance on July 8, 2022 – it'll take effect 31 days after the city clerk publishes it.

More info: bit.ly/healthcare651

■ In DC, higher minimum wage for certain security guards

Security officers working in office buildings in the District of Columbia need to be paid a higher minimum wage rate as of July 1, 2022.

The minimum wage is \$18.06 per hour (was \$17.28) plus an additional

\$4.60 per hour, which is the health and welfare fringe benefit rate required under the Service Contract Act (SCA). Vacation and holiday fringe benefits as required under the SCA must be provided as well.

More info: does.dc.gov/service/office-wage-hour-compliance-0

■ Wage information needed to set prevailing wage rate in Georgia

The highway construction industry in Georgia holds some information that's valuable to the federal Dept. of Labor (DOL).

Specifically, the DOL is seeking participants for a survey on wages paid to highway construction workers in the state from May 1, 2021, through April 30, 2022.

The data collection will end on Nov. 25, 2022, and the data will be used to set accurate prevailing wage rates as required by the Davis-Bacon and Related Acts.

More info: www.dol.gov/newsroom/releases/whd/whd20220722

Answers to readers' most pressing Payroll questions

Whether you're a longtime Payroll person or new to the profession, no doubt you occasionally face situations that leave you scratching your head. Here, we answer common dilemmas:

How can we keep employees from working unscheduled OT?

Q: We know that employees who exceed 40 hours of work in a workweek must be paid overtime for those hours, but supervisors would like to curb the use of overtime. What are some options for doing that without violating employment laws?

A: It's correct that employees must be paid time-and-a-half their regular rate of pay for overtime hours worked. But you should still have an overtime policy

in place, said James Reid IV, a partner with Dinsmore & Shohl LLP. He presented a session at the American Payroll Association's 2022 Congress.

One way to get employees to stop working when they're supposed to is by walking them out of the workplace, if necessary, Reid shared during his session, *Fair Labor Standards Act (FLSA): Wage and Hour Nightmares, Case Studies, and Legal Updates*. Another route you can take is to discipline them for violating the policy – that can include termination.

More info: americanpayroll.org

Send questions to jweiss@HRMorning.com. Because of the volume of mail we receive, we regret we can't answer all submissions.

WHERE TO GET HELP

RECENT CHANGES TO FEDERAL FORMS AND PUBLICATIONS

This list of forms, instructions and other publications contains Payroll-related updates.

- Publication 5165, *Guide for Electronically Filing Affordable Care Act (ACA) Information Returns*. Revised June 2022. Posted 7/6/22.
- Publication 1546, *The Taxpayer Advocate Service Is Your Voice at the IRS*. Revised June 2022. Posted 7/11/22.
- Publication 1546-EZ (flyer), *The Taxpayer Advocate Service Is Your Voice at the IRS*. Revised June 2022. Posted 7/11/22.
- Publication 3744, *IRS Strategic Plan FY2022–2026*. Revised July 2022. Posted 7/14/22.
- Publication 3744-C, *Strategic Plan Fiscal Years 2022–2026 Goals & Objectives*. Revised July 2022. Posted 7/14/22.
- Form 4900, *E-File and E-Pay Your Heavy Highway Vehicle Use Tax*. Revised June 2022. Posted 7/14/22.
- Publication 5477, *All Taxpayers Now Eligible for Identity Protection PINs*. Revised July 2022. Posted 7/18/22.
- Form 720, *Quarterly Federal Excise Tax Return*. Revised September 2022. Posted 7/19/22.
- Publication 5084, *Congressional Update*. Revised July 2022. Posted 7/19/22.

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

- **WAGE DEDUCTIONS:** According to SB 161, employers can make deductions from a terminated employee's wages for money or property the employee failed to return or repay, but the employer must provide notice within 10 days after the employment ends to do so. Also, if the employee returns or repays the money or property within 14 days after notice is provided, the employer must pay the deducted amount to the employee within 14 days after notice is provided. **More info:** leg.colorado.gov/bills/sb22-161

CONNECTICUT

- **VOTING LEAVE:** SB 361 provides a new reason for employees to take time off to vote: if there's a special election for a probate judge. Employees are already allowed to take leave to vote in special elections for U.S. or state senators or representatives. Until June 30, 2024, employers must grant two hours of unpaid time off to vote, provided an employee requests the time off at least two working days prior to an election. **More info:** legiscan.com/CT/text/SB00361/id/2584630

MICHIGAN

- **LAW CHANGES:** A July 19, 2022, ruling from the Michigan Court of Claims left two state laws hanging in the balance – the Improved Workforce Opportunity Wage Act and the Paid Medical Leave Act. The laws originated in 2018 as voter petitions which were sent to the state legislature. The court said the legislature violated

the Michigan Constitution when it approved the laws as-is only to amend them shortly after the general election. Barring further court proceedings, you'll need to pay a minimum wage of \$12 per hour, up from \$9.87. Plus, large employers will need to provide 72 hours of paid sick leave, and small employers will need to provide 40 hours of paid leave and 32 hours of unpaid leave. **More info:** www.michigan.gov/leo

NEW HAMPSHIRE

- **CHILD LABOR:** SB 345 which took effect June 17, 2022, changed some hours requirements for minors. Now, during a workweek in which school is in session for five days, 16- and 17-year-old employees can work 35 hours per week, up from 30, and the restriction on working more than six consecutive days has been repealed. As for workweeks when school is in session for four or fewer days, the restrictions regarding consecutive days of work and hours have been removed. **More info:** bit.ly/newhampshire651

SOUTH CAROLINA

- **SEPARATION NOTICES:** The Dept. of Employment and Workforce has released a final rule amending Regulation 47-19, which covers separation notices. Now, after a worker files an initial or additional claim, a copy will be mailed and transmitted electronically to the worker's last employer. If you receive a copy of a claim, you'll need to complete and return the requested information via magnetic tapes or diskettes or electronically, in an approved format. **More info:** bit.ly/southcarolina651

TENNESSEE

- **WORK SHARE:** Due to SB 958, work share programs are an option

for employers. Certain criteria must be met, though. For example, the work share plan must include an estimate of how many layoffs might otherwise occur. Also, the usual weekly hours of employees in affected groups should be reduced by between 10% and 40%. Plus, fringe benefits must continue to be provided to employees in affected groups as though their workweeks hadn't been reduced. **More info:** legiscan.com/TN/text/SB0958/2021

VERMONT

- **REMOTE WORK:** While all income earned in Vermont is considered Vermont income, you don't need to start withholding state income tax until an employee has been working from a Vermont location – e.g., home, rental property, co-work space – for 30 days, the Dept. of Taxes recently said. **More info:** tax.vermont.gov/business/withholding

THE LIGHTER SIDE

If you'd been in New Mexico driving along Route 66 and I-40 in July, would you have noticed this sign typo: Albuquerque.

Drivers who noticed the missing "R" contacted the state Dept. of Transportation, and now the sign properly displays the city's spelling: Albuquerque.

A department spokesperson called the mishap a "simple mistake" (Payroll knows they're unavoidable).

This isn't the first time an "R" has been dropped from the city's name. Originally established as a colony named after Spain's Duke of Alburquerque, the city arrived at its modern spelling somewhere along the way – maybe due to an uncaught typo?

Cite: AP, "Highway Double Take: Albuquerque Sign Spelled Without 'R,'" bit.ly/sign651