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SYNERGY

Payroll Tax Compliance 2023 and 2024 Legislative Update

James Paille, CPP | myPay Solutions Director,
Chief Compliance Office, Corporate Secretary



Jim Paille CPP

Director, Chief Compliance Officer, Corporate Secretary, myPay Solutions

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myPay Solutions, Director, Chief Compliance Officer, Corporate Secretary

Jim has been an executive manager in the payroll service industry for over 40 years, specializing in managing multi-location offices.

Jim is a Past President and a member of PayrollOrg's Board of Directors and National Speakers Bureau, and chairs the CPP Certification Review Panel. Jim is also an appointed member of ETAAC, a past SB/SE sub committee chair for IRSAC, a member of RAF, board of advisor for NACHA ACH committee, member of Citizens Banks Treasury advisory panel and a past board member of IPPA.

Jim is a seasoned keynote speaker creating impactful content for global audiences.

Logistics

Attendance and CPE / IRS CE credit tracking

- Attendance will automatically be tracked when wearing your SYNERGY name badge

SYNERGY App

- Access electronic copies of session handouts
- Complete session evaluation

Objectives



Agenda

- 2024 Federal Changes, Rules and Regulations
 - Forms and Filing
 - Rates and Changes
 - 2024 Bank Holidays
- State 2024 Updates
 - Minimum Wage Changes
 - SUI Wage Base
 - Miscellaneous Laws Affecting States
- Money Transmission Licensing (MTL)
- Wrap Up

Disclaimer

Information in this handout is current as of November 9, 2023.

All content is subject to legislative changes. Updated handouts will be posted to jimpaille.com.

2024 Federal Changes, Rules & Regulations

1095

There is talk at IRS at eliminating the 1095 requirement – no action for 2023 & probably TY 2024.

Cost of Health insurance for Employers with 250 or more W-2's is still required in Box 12 Code DD.

The cost includes both the employer and employee contributions. If the plan provides for the same COBRA continuation coverage premium for both individual coverage and family coverage, the plan is required to calculate separate individual and family premiums for reporting purposes.

Form **1095-C**
 Department of the Treasury
 Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage
 ▶ Do not attach to your tax return. Keep for your records.
 ▶ Go to www.irs.gov/Form1095C for instructions and the latest information.

Part I Employee

1 Name of employee (first name, middle initial, last name) 2 Social security number (SSN) 7 Name of employer
 3 Street address (including apartment no.) 9 Street address (including apartment no.)
 4 City or town 5 State or province 6 Country and ZIP or foreign postal code 11 City or town

Part II Employee Offer of Coverage

| | Employee's Age on January 1 | | | | | | |
|---|-----------------------------|-----|-----|-----|-----|-----|------|
| | All 12 Months | Jan | Feb | Mar | Apr | May | June |
| 14 Offer of Coverage (enter required code) | | | | | | | |
| 15 Employee Required Contribution (see instructions) | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable) | | | | | | | |

Electronic Returns

ETAAC is pleased to see IRS Tax Tip 2023-72 that includes a mobile-friendly way to file 940, 941, and 944 returns. ETAAC is happy to provide feedback or participate in user-testing for this new capability.



941-X Electronic filing options

The IRS said it will provide an e-filing option for amended employment tax returns. The IRS created a Fact Sheet to announce its Paperless Processing Initiative, which will begin in 2024 and allow e-filing of 20 more forms (including Form 941-X) [FS-2023-18, August 2023].

Additionally – 940, 941 and 943-X and 945-X electronic options

Mobile filings The IRS plans to enable taxpayers to submit mobile-friendly forms, including Forms 941-X, 943-X, and 945-X, for filing season 2024 [IR-2023-126, 7-14-23]

The IRS also is testing a mobile application prototype, Inform Me, that has the capability to scan a paper IRS form, notice, or other document.



941-X Electronic filing options

Update on IRS backlog: As of July 27, the agency had 735,000 unprocessed Forms 941 and, as of July 26, approximately 506,000 unprocessed Forms 941-X. Forms 941-X generally cannot be processed until the related Forms 941 are processed [IRS Newsroom, What You Can Expect, 7-28-23]

Amended 94X electronic filing. The IRS continues to expect that amended Form 94X electronic filing will be available for the 2024 filing season. While no definitive news was available, the IRS noted that it continues to work out modified schemas. While there's a slight chance at a March 2024 release, the IRS said it was more likely that a release would occur in June 2024, after the filing season.



941-X Electronic filing Update

IRS Commissioner: Employment Tax E-Filing System Not Ready for 2024 Filing Season

E-filing program for employment taxes in the works.

IRS Commissioner noted that the IRS wants to make sure that taxpayers have the option to work with the IRS in a digital format. "For Forms 940 and 941, we are in the process of developing an option to submit those electronically," Werfel said.

He admitted that although those efforts are ongoing in the IRS's Strategic Operating Plan, "they will not be ready for the filing season 2024." Werfel concluded by saying the IRS is working toward having such an e-filing program for employment tax returns "ready for future filings."



941-X Electronic filing Update

Dealing with tax form backlog. Since the COVID-19 pandemic, the IRS has been struggling to keep up with the backlog of Forms 941 and Forms 941-X, *Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*, which can only be filed on paper. As of October 12, 2023, the IRS had 162,000 unprocessed Forms 941. As of October 11, 2023, the IRS had 849,000 unprocessed Forms 941-X, some of which cannot be processed until the related Forms 941 are processed.

If 941 was filed electronically – 941X sb electronic ??

If 941 was paper filed – 941X sb paper!



IRS Extends Policy to Allow E-Signatures Indefinitely

On October 30, the IRS announced it is indefinitely extending a temporary policy that allows the use of electronic or digital signatures on certain IRS forms until more robust technical solutions are available [IR-2023-199, 10-30-23]. The list of eligible forms includes Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 8453 series, Form 8878 series, and Form 8879 series.

The IRS also updated the Internal Revenue Manual to accept alternatives to handwritten signatures for certain tax forms and lists signature options.

In addition, the ability to use encrypted emails for document receipt and transmission when working directly with IRS personnel to address or resolve compliance issues has been extended until October 31, 2025 [PGLD-10-1023- 0002, 10-20-23]

Not 8655! But DocuSign with identity verification is accepted

2024 944 NOT GOING AWAY!!

Fileable Field Color-Black; Checkmark-Cross
Gray shading for reserved fields and checkboxes must be 15% (R-217, G-217, S-217)

Form 944 for 2023: Employer's ANNUAL Federal Tax Return
Department of the Treasury — Internal Revenue Service OMB No. 1545-2007

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address

Number State Suite or room number

City State ZIP code

Foreign country name Foreign postal code

Who Must File Form 944

You must file annual Form 944 instead of filing quarterly Forms 941 only if the IRS notified you in writing.

Go to www.irs.gov/Form944 for instructions and the latest information.

Read the separate instructions before you complete Form 944. Type or print within the boxes.

Part 1: Answer these questions for this year. Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico can skip lines 1 and 2, unless you have employees who are subject to U.S. income tax withholding.

| | | | |
|----------------|--|----------------------|---|
| 1 | Wages, tips, and other compensation | 1 | <input type="text"/> |
| 2 | Federal income tax withheld from wages, tips, and other compensation | 2 | <input type="text"/> |
| 3 | If no wages, tips, and other compensation are subject to social security or Medicare tax | 3 | <input type="checkbox"/> Check and go to line 5. |
| 4 | Taxable social security and Medicare wages and tips: | | |
| | Column 1 | Column 2 | |
| 4a | Taxable social security wages* <input type="text"/> × 0.124 = | <input type="text"/> | *Include taxable qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021, on line 4a. Use lines 4a(j) and 4a(j) only for taxable qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021. |
| 4a (i) | Qualified sick leave wages* <input type="text"/> × 0.002 = | <input type="text"/> | |
| 4a (ii) | Qualified family leave wages* <input type="text"/> × 0.002 = | <input type="text"/> | |
| 4b | Taxable social security tips <input type="text"/> × 0.124 = | <input type="text"/> | |
| 4c | Taxable Medicare wages & tips <input type="text"/> × 0.029 = | <input type="text"/> | |
| 4d | Taxable wages & tips subject to Additional Medicare Tax withholding <input type="text"/> × 0.009 = | <input type="text"/> | |
| 4e | Total social security and Medicare taxes. Add Column 2 from lines 4a, 4a(i), 4a(ii), 4b, 4c, and 4d | 4e | <input type="text"/> |
| 5 | Total taxes before adjustments. Add lines 2 and 4e | 5 | <input type="text"/> |
| 6 | Current year's adjustments (see instructions) | 6 | <input type="text"/> |
| 7 | Total taxes after adjustments. Combine lines 5 and 6 | 7 | <input type="text"/> |
| 8a | Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 | 8a | <input type="text"/> |
| 8b | Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 | 8b | <input type="text"/> |
| 8c | Reserved for future use | 8c | <input type="text"/> |
| 8d | Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 | 8d | <input type="text"/> |

You MUST complete all three pages of Form 944 and SIGN it.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 39916N Form 944 (2023)

IRS 100% Paperless Plan


Taxpayers will have the option to go paperless for IRS correspondence by 2024 filing season, IRS to achieve paperless processing for all tax returns by filing season 2025



Social Security Administration to start Power Of Attorney for filing W-2's

SSA is working on a POA for assigning a third party to file W-2's

- NOT 8655
- Should be out for tax year 2023 or 2024

| | | | | | | | |
|--|--|--|--|---|--------------------------------|---|--|
| a Control number | | OMB No. 1545-0008 | | Safe, accurate, FAST! Use  | | Visit the IRS website at www.irs.gov/efile . | |
| b Employer identification number (EIN) | | 44-1XXXXXX | | 1 Wages, tips, other compensation | 2 Federal income tax withheld | | |
| c Employer's name, address, and ZIP code | | West Way Books 43 Bookend Rd Albuquerque, NM 87108 | | 3 Social security wages | 4 Social security tax withheld | | |
| d Employee's social security number | | 444-XX-XXXX | | 5 Medicare wages and tips | 6 Medicare tax withheld | | |
| e Employee's first name and initial | | Susan A. Quintana | | 7 Social security tips | 8 Allocated tips | | |
| Last name | | 1000 Old Club Rd SW Albuquerque, NM 87105 | | 9 Advance EIC payment | 10 Dependent care benefits | | |
| f Employee's address and ZIP code | | 11 Nonqualified plans | | 12a See instructions for box 12 | | | |
| 15 State | | Employer's state ID number | | 13 Statutory employee | | Retirement plan | |
| NM | | 44-0XXXXXX-XX | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| 16 State wages, tips, etc. | | 17 State income tax | | 14 Other | | 12b | |
| 16500.25 | | 404.26 | | | | | |
| 18 Local wages, tips, etc. | | 19 Local income tax | | 12c | | | |
| | | | | | | | |
| 20 Locality name | | 12d | | | | | |
| | | | | | | | |

Form **W-2** Wage and Tax Statement **20XX** Department of the Treasury—Internal Revenue Service
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.


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New W-2 2023 - Nothing New !

IRS Explains 2023 Wage and Tax Statement

No material changes

Note: Copy A of this form is provided for informational purposes only. Copy A appears in red, similar to the official IRS form. The official printed version of this IRS form is scannable, but the online version of it, printed from this website, is not. Do not print and file Copy A downloaded from this website with the SSA

| | | | |
|--|----------------------------|--|---------------------------------|
| a Employee's social security number | | Safe, accurate, FAST! Use  Visit the IRS website at www.irs.gov/efile | |
| b Employer identification number (EIN) | | 1 Wages, tips, other compensation | 2 Federal income tax withheld |
| c Employer's name, address, and ZIP code | | 3 Social security wages | 4 Social security tax withheld |
| | | 5 Medicare wages and tips | 6 Medicare tax withheld |
| | | 7 Social security tips | 8 Allocated tips |
| d Control number | | 9 | 10 Dependent care benefits |
| e Employee's first name and initial Last name Suffix | | 11 Nonqualified plans | 12a See instructions for box 12 |
| | | 13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third party sick pay <input type="checkbox"/> | 12b |
| | | 14 Other | 12c |
| | | | 12d |
| f Employee's address and ZIP code | | | |
| 15 State Employer's state ID number | 16 State wages, tips, etc. | 17 State income tax | 18 Local wages, tips, etc. |
| | | | 19 Local income tax |
| | | | 20 Locality name |

Form **W-2** Wage and Tax Statement **2023** Department of the Treasury—Internal Revenue Service
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

A total of 10 informational returns per FEIN will require Electronic Filing starting TY 2023

1099 NEC 2023

When will the Form 1099-NEC be available for tax year 2023?

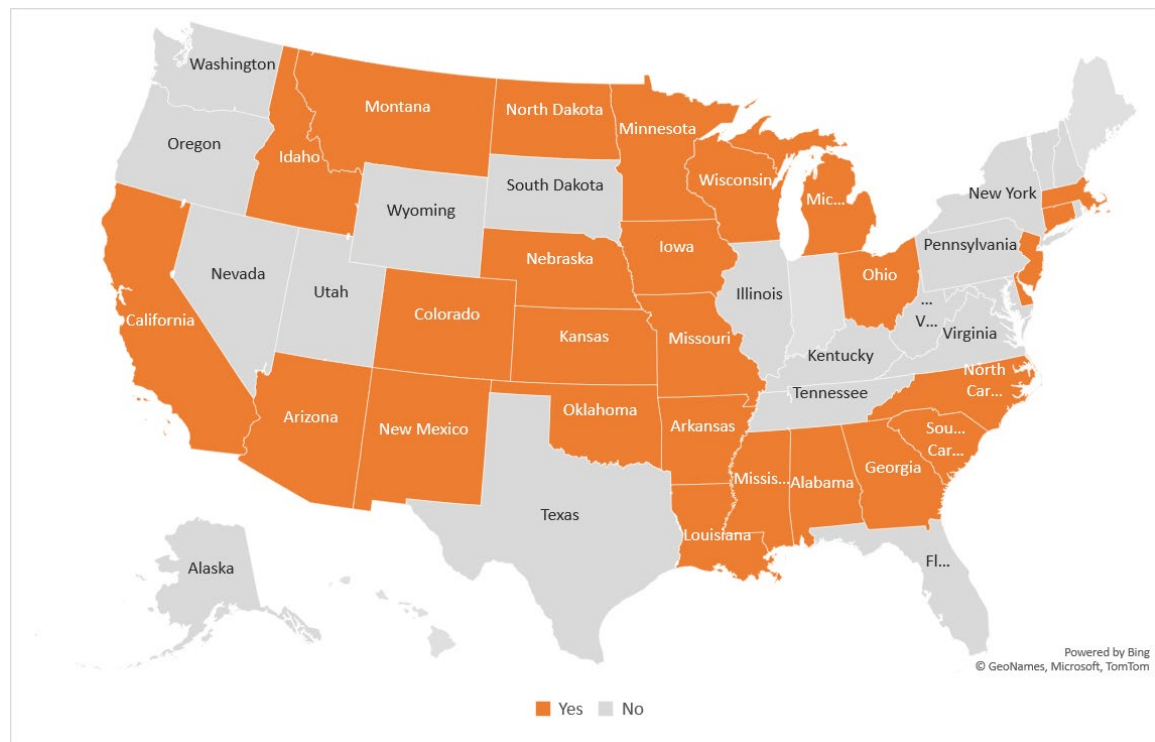
If filing or furnishing before the Form 1099-NEC due date in January 2024, the January 2022 revision of Form 1099-NEC may be used for tax year 2023 (the form is now technically continuous-use, and the filer enters the applicable tax year). There will be a January 2024 revision of Form 1099-NEC, although the revisions are very minor and only affected the year entry field (enter a four-digit year as opposed to the last two digits of the year). The January 2024 revision should be used to for tax year 2023 if filing or furnishing Form 1099-NEC in January 2024, but if the January 2022 revision is used in January 2024, it shouldn't cause any processing issues because the boxes have not changed.

7171 VOID CORRECTED

| | | | | |
|---|--------------------------------------|--|---------------------------|---|
| PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. | | OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20__ | | Nonemployee Compensation |
| PAYER'S TIN | RECIPIENT'S TIN | 1 Nonemployee compensation \$ | | |
| RECIPIENT'S name | | 2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/> | | Copy A For Internal Revenue Service Center File with Form 1096. <small>For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.</small> |
| Street address (including apt. no.) | | 3 | | |
| City or town, state or province, country, and ZIP or foreign postal code | | 4 Federal income tax withheld \$ | | |
| Account number (see instructions) | 2nd TIN not <input type="checkbox"/> | 5 State tax withheld \$ | 6 State/Payer's state no. | 7 State income \$ |

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service
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States that share with IRS 1099-MISC, 1099-B, 1099-DIV, 1099-INT and 1099-R data



**AL, AR, AZ, CA, CO, CT, DE, GA, HI, ID,
IN, KS, LA, ME, MD, MA, MI, MN, MS, MO,
MT, NE, NJ, NM, NC, ND, OH, OK, SC, WI.**

8655 Filing

How do we best file Form 8655 in terms of a batch process?

We don't have any specific information on batch of filing of Forms 8655 beyond what is discussed in the Form 8655 instructions, Revenue Procedure 2012-32, and Publication 1474, Technical Specifications Guide for Reporting Agent Authorization and Federal Tax Depositors. These three items discuss paper filing, filing via fax, and filing electronically.

FIRE System



IRS Reminds Employers FIRE Will Be Available for Tax Year 2023.



During the July payroll industry call, the IRS reminded employers the Filing Information Returns Electronically (FIRE) system still will be available to electronically file (e-file) information returns for tax year 2023.



FIRE users must have current IR TCC The IRS has finished the transition to the new Information Returns Transmitter Control Code (IR TCC) application for FIRE users. **FIRE users who received TCCs prior to September 26, 2021, must have submitted and completed the new IR TCC application by August 1.**



FIRE users without a completed IR TCC application will not be allowed to e-file using the original FIRE TCC [QuickAlerts for Tax Professionals, 7-13-23].

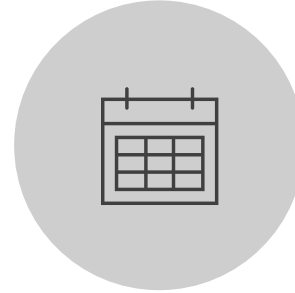


More employers will be required to e-file in 2024 as the threshold is lowered to 10 aggregate returns. Additional guidance is available on the IRS's FIRE webpage.

New 1099 Online System Named IRIS



As a result of Section 2102 of the Taxpayer First Act, the IRS is launching an online portal that will allow taxpayers to electronically file both small and large volumes of 1099 Forms. This new portal known as **Information Return Intake System** (IRIS) will launch January 2023 for tax year 2022



Due online early 2023 for 2022 filings



CSV upload



Requires new TCC #

Per Diems – CONUS Fiscal 2024

Standard CONUS rates apply to all counties not specifically listed in the GSA's per diem rate table. The maximum standard per diem rate for travel locations not listed in the per diem rate table will increase to \$166 on October 1 (\$107 for lodging, \$59 for M&IE). The standard rates cover most of the 2,600 continental U.S. (CONUS) counties.

The meals and incidental (M&IE) expenses per diem tiers for FY 2024 are unchanged at \$59-\$79 with the standard M&IE rate unchanged at \$59.

The combined per diem rates for the listed NSA locations range from a low of \$166 (off-season) for several locations, to a high of \$564.

These rates can be used starting Oct 1, 2023.

Per Diem High Low 2024

An employer may pay a per diem amount to an employee for business travel, instead of reimbursing actual substantiated expenses for away-from-home lodging, and meal and incidental expenses (M&IE). The amount is treated as if it were made under an accountable plan (i.e., it is not subject to income tax, or payroll tax withholding, and is not reported on the employee's Form W-2) if the per diem rate paid does not exceed IRS-approved maximums, and the employee provides simplified substantiation (time, place, and business purpose). Receipts for expenses aren't required. In general, the IRS-approved per diem maximum is the U.S. General Services Administration (GSA) per diem rate paid by the federal government to its workers on travel status. This rate varies from locality to locality.

The special meals and incidental expenses (M&IE) rates for transportation industry taxpayers are \$69 for any locality of travel in the continental United States (CONUS) and \$74 for any locality of travel outside the continental United States (OCONUS). The rate for any CONUS or OCONUS locality of travel for the incidental expenses only deduction is \$5 per day. Under the high-low substantiation method, the per diem rates are \$309 for travel to any high-cost locality and \$214 for travel to any other locality within CONUS. The amount of the travel per diem that is treated as paid-for meals is \$74 for travel to any high-cost locality and \$64 for travel to any other locality within CONUS.

These rates can be used starting Oct 1, 2023.

Federal Facts: W-2 & 109(series) Penalty Increases 2024

| Days Late | Expected Penalty |
|-------------------|--|
| Up to 30 days | <ul style="list-style-type: none">• \$60/return \$630,500 max \$220,500 small business |
| 31 days - July 31 | <ul style="list-style-type: none">• \$120/return \$1,891,500 max \$630,500 small business |
| Aug 1 - later | <ul style="list-style-type: none">• \$310/return \$3,783,000 max \$1,891,500 small business \$630/return for intentional disregard |



SYNERGY



1099 K

What does my Form 1099-K report to me?

- Includes gross amount of all reportable payment transactions
- 1099-K from each settlement entity, in which you received payments in settlement of reportable payment transactions

1010 VOID CORRECTED

| | | | | |
|--|--|---|---|--|
| FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. | | FILER'S TIN | OMB No. 1545-2205 2021 Form 1099-K | Payment Card and Third Party Network Transactions |
| | | PAYEE'S TIN | | |
| Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/> | | Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input type="checkbox"/> | | Copy A For Internal Revenue Service Center |
| | | 1a Gross amount of payment card/third party network transactions \$ | 2 Merchant category code | |
| PAYEE'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code | | 3 Number of payment transactions | 4 Federal income tax withheld \$ | File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns. |
| | | PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | |
| PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | | | |
| | | PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | |
| PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | | | |
| | | PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | |
| PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | | | |
| | | PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | |
| PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | | | |
| | | PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | |
| PSE'S name and telephone number Account number (see instructions) 2nd TIN not. <input type="checkbox"/> | | | | |

Form **1099-K** Cat. No. 54118B www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service
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Effective January 1, 2023: 1099-K replaces “more than \$20,000 and more than 200 transactions” threshold for 3rd -party settlement organization (TPSO) filing and replaces it with the single “\$600 or more” reporting threshold. Latest news the IRS is not reconsidering the old thresholds for 2023.

On Demand/Earned Wage Access and PayDay Advances



IRS silent on when “constructive receipt” happens

At this time, **all advances** are recognized as received on **normal pay date**



Earned Wage Access

States that have enacted EWA Laws

Missouri – the consumer or employer must represent the amount, and the EWA provider must reasonably verify. EWA providers must register with the state and pay a \$1000 registration fee annually.

Nevada – EWA is Not a Loan

California – working to exempt payroll company's from registering!

IRS – contemplating third party payments – count on check date

- EWA payments made by employers – taxable when given
- States - ??????????

1st Time Abatement vs Reasonable Cause

IRS is working on
taking comments
AGAIN

Presently the IRS uses
the first-time abatement
automatically if eligible
without considering
reasonable cause.

DOL Proposes Rule Increasing Salary Threshold for Overtime Exemption and Extending Overtime Protections

On August 30, 2023, the U.S. Department of Labor's (DOL) Wage and Hour Division (WHD) [announced](#) the release of a [Notice of Proposed Rulemaking \(NPRM\)](#) regarding extending Fair Labor Standards Act (FLSA) overtime protections ([WHD, RIN 1235-AA39, Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#)).

Increased salary threshold and total annual compensation. The DOL is proposing compensation thresholds that will work effectively with the standard duties test and the highly compensated employee duties test to better identify who is employed in a bona fide EAP capacity.

Specifically, the DOL is proposing to increase from:

\$684 per week (\$35,568 per year) to

\$1,059 per week (\$55,068 annually) for a full-year worker).

Further, the DOL seeks to increase the total annual compensation requirement for highly compensated employee (HCE) from \$107,432 to \$143,988.

Finally, the proposed regulations permit the overtime exemption to apply to computer employees who paid on an hourly basis at no less than \$27.63 per hour. The proposed regulations calls for automatic increases every three years.

Federal Proposals

HR4803. The "**Personalized Care Act of 2023**" – Increases HSA limits to \$10,800 self \$29,500 family

HR4836. "**Professional Images Protection Act**" seeks to amend the Fair Labor Standards Act (FLSA) to prohibit an employer from recording and using employee images without prior disclosure of how and when the recording or image is used and prior to receiving written consent from the employee.

HR4430. The "**E-Verify Data Privacy and Wrongful Unemployment Act of 2023**" seeks to protect the privacy of information on the E-Verify system and prohibit the collection of data pertaining to race, religious, political or philosophic beliefs, genetic data, biometric information, or health information or vaccination status.

HR5322. The "**Time Off to Vote Act**" proposes to require employers to provide at least two consecutive hours of paid leave to vote in federal elections. Under the bill, employers would be permitted to determine the two-hour period.

HR5369. The **Tipped Worker Protection Act**, introduced on September 8, 2023, and currently under review in the House Committee on Education and the Workforce, would amend the FLSA to gradually phase out the separate minimum wage for tipped workers.

Federal Proposals

[S2769](#). The Wage Theft Prevention and Wage Recovery Act, introduced on September 12, 2023, would amend the Fair Labor Standards Act (FLSA) and the Portal-to-Portal Act to:

1. Require employers to provide a statement to employees including the wage payment and worker classification details,
2. Pay all final wages within 14 days,
3. Institute a right to full compensation,
4. Impose interest payment requirements as well as damages for violators,
5. Set specific civil monetary fines and criminal penalties for certain violations, and
6. Extend the statute of limitations for portal-to-portal violations.

The Act would also create a wage theft prevention and wage recovery program under the Wage and Hour Division of the Department of Labor. This bill is mirrored by [HR5402](#) in the House Committee on Education and the Workforce.

Federal Proposals

S2785. The Higher Wages for American Workers Act of 2023, introduced on September 13, 2023 and currently under review in the Senate Committee on the Judiciary, would gradually raise the federal minimum wage to \$11 per hour from \$7.25 within four years, with increases indexed for inflation thereafter. The bill would also require all employers to use E-Verify to certify the employment eligibility of all new hires, and implement measures to combat fraudulent visa application practices by employers.

S2817. The Fashioning Accountability and Building Real Institutional Change Act, or FABRIC Act, would amend the FLSA to bar garment industry employers from paying workers by piece rate. The bill would also require manufacturers and contractors to register with the DOL and maintain specific records. This bill is mirrored by **HR5502** in the House Committee on Education and the Workforce.

W-4 IRS Issues 2024 Draft Forms W-4 and W-4P

| Form W-4 | | Employee's Withholding Certificate | | OMB No. 1545-0074 |
|---|---|------------------------------------|----------------------------|---|
| Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. | | | | 2024 |
| Give Form W-4 to your employer. Your withholding is subject to review by the IRS. | | | | |
| Department of the Treasury Internal Revenue Service | | | | |
| Step 1: Enter Personal Information | (a) First name and middle initial | Last name | (b) Social security number | |
| | Address | | | Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov. |
| | City or town, state, and ZIP code | | | (c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.) |
| Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, and when to use the estimator at www.irs.gov/W4App. | | | | |
| Step 2: Multiple Jobs or Spouse Works | Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. | | | |
| | (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; or | | | |
| | (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (c) is more accurate. <input type="checkbox"/> | | | |
| Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.) | | | | |
| Step 3: Claim Dependent and Other Credits | If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): | | | |
| | Multiply the number of qualifying children under age 17 by \$2,000 \$ _____ Multiply the number of other dependents by \$500 \$ _____ Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here 3 \$ _____ | | | |
| Step 4 (optional): Other Adjustments | (a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income 4(a) \$ _____ | | | |
| | (b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____ | | | |
| | (c) Extra withholding. Enter any additional tax you want withheld each pay period 4(c) \$ _____ | | | |
| Step 5: Sign Here | Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete. | | | |
| | Employee's signature (This form is not valid unless you sign it.) | | | Date |
| Employers Only | Employer's name and address | | First date of employment | Employer identification number (EIN) |
| | For Privacy Act and Paperwork Reduction Act Notice, see page 3. | | | |

Cat. No. 93220Q

Form **W-4** (2024)


| Form W-4P | | Withholding Certificate for Periodic Pension or Annuity Payments | | OMB No. 1545-0074 |
|---|--|--|----------------------------|---|
| Complete Form W-4P to the payer of your pension or annuity payments. | | | | 2024 |
| Department of the Treasury Internal Revenue Service | | | | |
| Step 1: Enter Personal Information | (a) First name and middle initial | Last name | (b) Social security number | |
| | Address | | | (c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.) |
| | City or town, state, and ZIP code | | | |
| Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See pages 2 and 3 for more information on each step, when to use the estimator at www.irs.gov/W4App, and how to elect to have no federal income tax withheld (if permitted). | | | | |
| Step 2: Income From a Job and/or Multiple Pensions/Annuities (Including a Spouse's Job/Pension/Annuity) | Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. See page 2 for examples on how to complete Step 2. Do only one of the following. | | | |
| | (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; or | | | |
| | (b) Complete the items below. | | | |
| (i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs, less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-". \$ _____ | | | | |
| (ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-". \$ _____ | | | | |
| (iii) Add the amounts from items (i) and (ii) and enter the total here \$ _____ | | | | |
| TIP: To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. | | | | |
| Complete Steps 3-4(b) on this form only if (b)(i) is blank and this pension/annuity pays the most annually. Otherwise, do not complete Steps 3-4(b) on this form. | | | | |
| Step 3: Claim Dependent and Other Credits | If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): | | | |
| | Multiply the number of qualifying children under age 17 by \$2,000 \$ _____ Multiply the number of other dependents by \$500 \$ _____ Add other credits, such as foreign tax credit and education tax credits \$ _____ Add the amounts for qualifying children, other dependents, and other credits and enter the total here 3 \$ _____ | | | |
| Step 4 (optional): Other Adjustments | (a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends 4(a) \$ _____ | | | |
| | (b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____ | | | |
| | (c) Extra withholding. Enter any additional tax you want withheld from each payment 4(c) \$ _____ | | | |
| Step 5: Sign Here | Your signature (This form is not valid unless you sign it.) | | | |
| | Date | | | |
| For Privacy Act and Paperwork Reduction Act Notice, see page 3. | | | | Form W-4P (2024) |

Cat. No. 93225T

Form **W-4P** (2024)

Employers Must Use New Form I-9 by November 1

Starting November 1, employers must use the version of Form I-9, *Employment Eligibility Verification*, with an edition date of 8-1-23. Employers do not need to complete a new Form I-9 for current employees who already have an existing I-9 on file.



Employment Eligibility Verification
 Department of Homeland Security
 U.S. Citizenship and Immigration Services

USCIS Form I-9
 OMB No. 1615-0047
 Expires 07/31/2026

START HERE: Employers must ensure the form instructions are available to employees when completing this form. Employers are liable for failing to comply with the requirements for completing this form. See below and the [instructions](#).

ANTI-DISCRIMINATION NOTICE: All employees can choose which acceptable documentation to present for Form I-9. Employers cannot ask employees for documentation to verify information in Section 1, or specify which acceptable documentation employees must present for Section 2 or Supplement B, Reverification and Rehire. Treating employees differently based on their citizenship, immigration status, or national origin may be illegal.

Section 1. Employee Information and Attestation: Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.

| | | | | | | |
|----------------------------------|-----------------------------|--------------------------|----------------------|-------------------------|--------------------------------|----------------|
| Last Name (Family Name) | | First Name (Given Name) | | Middle Initial (if any) | Other Last Names Used (if any) | |
| Address (Street Number and Name) | | | Apt. Number (if any) | City or Town | | State ZIP Code |
| Date of Birth (mm/dd/yyyy) | U.S. Social Security Number | Employee's Email Address | | | Employee's Telephone Number | |

I am aware that federal law provides for imprisonment and/or fines for false statements, or the use of false documents, in connection with the completion of this form. I attest, under penalty of perjury, that this information, including my selection of the box attesting to my citizenship or immigration status, is true and correct.

Check one of the following boxes to attest to your citizenship or immigration status (See page 2 and 3 of the instructions.):

- 1. A citizen of the United States.
- 2. A noncitizen national of the United States (See instructions).
- 3. A lawful permanent resident (Enter USCIS or A-Number).
- 4. A noncitizen (other than Item Numbers 2. and 3. above) authorized to work until (exp. date, if any).

If you check Item Number 4., enter one of these:

| | | | | |
|----------------|----|----------------------------|----|---|
| USCIS A-Number | OR | Form I-94 Admission Number | OR | Foreign Passport Number and Country of Issuance |
|----------------|----|----------------------------|----|---|

Signature of Employee _____ Today's Date (mm/dd/yyyy) _____

If a preparer and/or translator assisted you in completing Section 1, that person MUST complete the [Preparer and/or Translator Certification](#) on Page 3.

Section 2. Employer Review and Verification: Employers or their authorized representative must complete and sign Section 2 within three business days after the employee's first day of employment, and must physically examine, or examine consistent with an alternative procedure authorized by the Secretary of DHS, documentation from List A OR a combination of documentation from List B and List C. Enter any additional documentation in the Additional Information box; see instructions.

| Document Title | List A | OR | List B | AND | List C |
|---------------------------|------------------------|----|--------|-----|--------|
| Document Title 1 | | | | | |
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |
| Document Title 2 (if any) | Additional Information | | | | |
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |
| Document Title 3 (if any) | | | | | |
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |

Check here if you used an alternative procedure authorized by DHS to examine documents.

Certification: I attest, under penalty of perjury, that (1) I have examined the documentation presented by the above-named employee, (2) the above-listed documentation appears to be genuine and to relate to the employee named, and (3) to the best of my knowledge, the employee is authorized to work in the United States.

| | | | |
|--|--|--|---------------------------|
| Last Name, First Name and Title of Employer or Authorized Representative | | Signature of Employer or Authorized Representative | Today's Date (mm/dd/yyyy) |
| Employer's Business or Organization Name | | Employer's Business or Organization Address, City or Town, State, ZIP Code | |

For reverification or rehire, complete [Supplement B, Reverification and Rehire](#) on Page 4.

Form I-9 Edition: 08/01/23 Page 1 of 4

New I-9 to be used starting 11/1/23



Employment Eligibility Verification
Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 07/31/2026

START HERE: Employers must ensure the form instructions are available to employees when completing this form. Employers are liable for failing to comply with the requirements for completing this form. See below and the [instructions](#).

ANTI-DISCRIMINATION NOTICE: All employees can choose which acceptable documentation to present for Form I-9. Employers cannot ask employees for documentation to verify information in Section 1, or specify which acceptable documentation employees must present for Section 2 or Supplement B, Reverification and Rehire. Treating employees differently based on their citizenship, immigration status, or national origin may be illegal.

Section 1. Employee Information and Attestation: Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.

| | | | | | |
|--|-----------------------------|--------------------------|---------------------------|-----------------------------|--------------------------------|
| Last Name (Family Name) | | First Name (Given Name) | | Middle Initial (if any) | Other Last Names Used (if any) |
| Address (Street Number and Name) | | | | | |
| Apt. Number (if any) | | City or Town | | State | ZIP Code |
| Date of Birth (mm/dd/yyyy) | U.S. Social Security Number | Employee's Email Address | | Employee's Telephone Number | |
| <p>I am aware that federal law provides for imprisonment and/or fines for false statements, or the use of false documents, in connection with the completion of this form. I attest, under penalty of perjury, that this information, including my selection of the box attesting to my citizenship or immigration status, is true and correct.</p> <p>Check one of the following boxes to attest to your citizenship or immigration status (See page 2 and 3 of the instructions.):</p> <p><input type="checkbox"/> 1. A citizen of the United States</p> <p><input type="checkbox"/> 2. A noncitizen national of the United States (See instructions.)</p> <p><input type="checkbox"/> 3. A lawful permanent resident (Enter USCIS or A-Number.)</p> <p><input type="checkbox"/> 4. A noncitizen (other than Item Numbers 2. and 3. above) authorized to work until (exp. date, if any)</p> <p>If you check Item Number 4., enter one of these:</p> <p>USCIS A-Number OR Form I-94 Admission Number OR Foreign Passport Number and Country of Issuance</p> | | | | | |
| Signature of Employee | | | Today's Date (mm/dd/yyyy) | | |

If a preparer and/or translator assisted you in completing Section 1, that person MUST complete the [Preparer and/or Translator Certification](#) on Page 3.

Section 2. Employer Review and Verification: Employers or their authorized representative must complete and sign Section 2 within three business days after the employee's first day of employment, and must physically examine, or examine consistent with an alternative procedure authorized by the Secretary of DHS, documentation from List A OR a combination of documentation from List B and List C. Enter any additional documentation in the Additional Information box; see Instructions.

| Document Title 1 | List A | OR | List B | AND | List C |
|---------------------------|------------------------|----|--------|-----|--------|
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |
| Document Title 2 (if any) | Additional Information | | | | |
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |
| Document Title 3 (if any) | | | | | |
| Issuing Authority | | | | | |
| Document Number (if any) | | | | | |
| Expiration Date (if any) | | | | | |

Certification: I attest, under penalty of perjury, that (1) I have examined the documentation presented by the above-named employee, (2) the above-listed documentation appears to be genuine and to relate to the employee named, and (3) to the best of my knowledge, the employee is authorized to work in the United States.

| | | | |
|--|--|--|---------------------------|
| Last Name, First Name and Title of Employer or Authorized Representative | | Signature of Employer or Authorized Representative | Today's Date (mm/dd/yyyy) |
| Employer's Business or Organization Name | | Employer's Business or Organization Address, City or Town, State, ZIP Code | |

For reverification or rehire, complete [Supplement B, Reverification and Rehire](#) on Page 4.



Supplement A,
Preparer and/or Translator Certification for Section 1
Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
Supplement A
OMB No. 1615-0047
Expires 07/31/2026

| | | |
|---|---|---|
| Last Name (Family Name) from Section 1. | First Name (Given Name) from Section 1. | Middle Initial (if any) from Section 1. |
|---|---|---|

Instructions: This supplement must be completed by any preparer and/or translator who assists an employee in completing Section 1 of Form I-9. The preparer and/or translator must enter the employee's name in the spaces provided above. Each preparer or translator must complete, sign, and date a separate certification area. Employers must retain completed supplement sheets with the employee's completed Form I-9.

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that to the best of my knowledge the information is true and correct.

| | | |
|-------------------------------------|--|-------------------------|
| Signature of Preparer or Translator | | Date (mm/dd/yyyy) |
| Last Name (Family Name) | | First Name (Given Name) |
| Address (Street Number and Name) | | City or Town |
| State | | ZIP Code |

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that to the best of my knowledge the information is true and correct.

| | | |
|-------------------------------------|--|-------------------------|
| Signature of Preparer or Translator | | Date (mm/dd/yyyy) |
| Last Name (Family Name) | | First Name (Given Name) |
| Address (Street Number and Name) | | City or Town |
| State | | ZIP Code |

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that to the best of my knowledge the information is true and correct.

| | | |
|-------------------------------------|--|-------------------------|
| Signature of Preparer or Translator | | Date (mm/dd/yyyy) |
| Last Name (Family Name) | | First Name (Given Name) |
| Address (Street Number and Name) | | City or Town |
| State | | ZIP Code |

I attest, under penalty of perjury, that I have assisted in the completion of Section 1 of this form and that to the best of my knowledge the information is true and correct.

| | | |
|-------------------------------------|--|-------------------------|
| Signature of Preparer or Translator | | Date (mm/dd/yyyy) |
| Last Name (Family Name) | | First Name (Given Name) |
| Address (Street Number and Name) | | City or Town |
| State | | ZIP Code |

- Revisions to Form I-9 include:
- Sections 1 and 2 are now a single-sided sheet.
 - The section 1 Preparer/Translator Certification area is now standalone Supplement A that employers can provide to employees when necessary.
 - Section 3, Reverification and Rehire, is now standalone Supplement B that employers can print for rehires or reverification.
 - The form has been redesigned to be fillable on tablets and mobile devices
 - The notice at the top of Form I-9 was updated to explain how to avoid discrimination in the Form I-9 process.
 - The Lists of Acceptable Documents page has been redesigned.
 - The instructions have been reduced from 15 to eight pages.
 - The abbreviations charts were moved to the M-274, Handbook for Employers: Guidance for Completing Form I-9.
 - A new checkbox allows certain employers to indicate they examined Form I-9 documentation remotely under the U.S. Department of Homeland Security's (DHS) new alternative procedure rather than via physical examination

Miscellaneous Federal Items



Nacha 24 / 7

A new day is coming!



Real Time Payments



W-2 or IC – discussions underway to tighten IC rules

Including Lyft and Uber



EWA - You can get paid 2 days early! Ha-ha!!

2023 Rates

| | 2023 | 2024 |
|---|---|--|
| Social Security | \$160,200 | \$168,600 (1971 \$14,100) |
| | 6.2% Med 1.45% < 200,000 2.35% > \$200,000 | 6.2% Med 1.45% < 200,000 2.35% > \$200,000 |
| Domestic Worker Threshold | \$2,600 | \$2,700 |
| Elections Workers | \$2,200 | \$2,300 |
| Transit Passes & Van Pool | \$300/\$300 | \$315/ \$315 |
| Parking Mileage Reimbursement | \$300 .655 .22 medical/moving .14 charity | \$315 |
| 415(b)(1)(A) defined benefit max | | |
| Max Contribution | \$66,000 | \$68,000 |
| Education Assistance + Student Loan Payments (through 2025) | | |
| Roth Limits (married) (single) | \$218,000 - \$228,000 / \$138k - \$153k | \$230,000 - \$240,000 / \$146k - \$161k |
| -401 K Roth | \$22,500 | \$23,000 |
| -403(b) – 457 Roth 403 Roth 457 | \$22,500 | \$23,000 |
| -408(p) Simple Roth | \$15,500 | \$16,000 |
| 401k catch-up | \$7,500 | \$7,500 |
| 414(v) catch-up Simple | \$3,500 | \$3,500 |
| IRA | \$6,500 | \$7,000 |

2023 Rates

| | 2023 | 2024 |
|--|-----------------------------------|--|
| Foreign Income Exclusion | \$120,000 | \$126,500 |
| Minimum annual comp 408 | \$750 | \$750 |
| Adoption Exclusion limits | \$15,950 | \$16,810 |
| -Phase out AGI | \$239,230 | \$252,150 |
| -Total exclusion AGI | \$263,410 | \$292,150 |
| Definition of Control Employee /commuting/gvmt | | |
| -Corp officer | \$135,000 | \$150,000 |
| -Earnings test §415(b)(1)(A) | \$265,000 | \$275,000 |
| Definition of Highly Comp. Key Employee Top Heavy Plan FSA | \$150,000 \$215,000 \$3,050 | \$155,000 \$220,000 \$3,200 |
| Excepted benefit HRA Small Employer HRA (QSEHRA) | \$1,950 \$5,850 | \$6,150 |
| Long Term Premiums - <40 | \$480 | \$470 |
| -40-50 | \$890 | \$880 |
| --50-60 | \$1,790 | \$1,770 |
| - 60-70 | \$4,770 | \$4,710 |
| ->70 | \$5,960 | \$5,880 |

2023 Rates

| | 2023 | 2024 |
|--|--------------------|--------------------|
| Limitations | | |
| - Highly Compensated 414 | \$150,000 | \$155,000 |
| - Annual Compensation Limits | | |
| - 414,404,408 SEP | \$330,000 | \$345,000 |
| -Annual Compensation Limits | | |
| - 401 (a) (17) | \$490,000 | \$505,000 |
| - FSA | | |
| HSA | | |
| - Annual deduction limit Single/Family | \$1,500 / \$3,000 | \$1,600 / \$3,000 |
| -Maximum out of pocket Single/Family | \$7,500 / \$15,000 | \$8,050 / \$16,100 |
| -Maximum annual contribution Single/Family | \$3,850 / \$7,750 | \$4,150 / \$8,300 |
| -Maximum annual catch-up (55) | \$1,000 | \$1,000 |

History of FICA Wage Base

| Year | Amount | Year | Amount | Year | Amount |
|---------|-----------|------|-----------|------|------------|
| 1937-50 | \$ 3,000 | 1986 | \$ 42,000 | 2006 | \$ 94,200 |
| 1951-54 | \$ 3,600 | 1987 | \$ 43,800 | 2007 | \$ 97,500 |
| 1955-58 | \$ 4,200 | 1988 | \$ 45,000 | 2008 | \$ 102,000 |
| 1959-65 | \$ 4,800 | 1989 | \$ 48,000 | 2009 | \$ 106,800 |
| 1966-67 | \$ 6,600 | 1990 | \$ 51,300 | 2010 | \$ 106,800 |
| 1968-71 | \$ 7,800 | 1991 | \$ 53,400 | 2011 | \$ 106,800 |
| 1972 | \$ 9,000 | 1992 | \$ 55,500 | 2012 | \$ 110,100 |
| 1973 | \$ 10,800 | 1993 | \$ 57,600 | 2013 | \$ 113,700 |
| 1974 | \$ 13,200 | 1994 | \$ 60,600 | 2014 | \$ 117,000 |
| 1975 | \$ 14,100 | 1995 | \$ 61,200 | 2015 | \$ 118,500 |
| 1976 | \$ 15,300 | 1996 | \$ 62,700 | 2016 | \$ 118,500 |
| 1977 | \$ 16,500 | 1997 | \$ 65,400 | 2017 | \$ 127,200 |
| 1978 | \$ 17,700 | 1998 | \$ 68,400 | 2018 | \$ 128,400 |
| 1979 | \$ 22,900 | 1999 | \$ 72,600 | 2019 | \$ 132,900 |
| 1980 | \$ 25,900 | 2000 | \$ 76,200 | 2020 | \$ 137,700 |
| 1981 | \$ 29,700 | 2001 | \$ 80,400 | 2021 | \$ 142,800 |
| 1982 | \$ 32,400 | 2002 | \$ 84,900 | 2022 | \$ 147,000 |
| 1983 | \$ 35,700 | 2003 | \$ 87,000 | 2023 | \$ 160,200 |
| 1984 | \$ 37,800 | 2004 | \$ 87,900 | 2024 | \$ 168,600 |
| 1985 | \$ 39,600 | 2005 | \$ 90,000 | | |



- \$174,900 in 2025
- \$181,200 in 2026
- \$188,700 in 2027
- \$196,500 in 2028
- \$204,600 in 2029
- \$212,700 in 2030
- \$221,400 in 2031
- \$230,100 in 2032

Bank / Federal Holiday Schedule

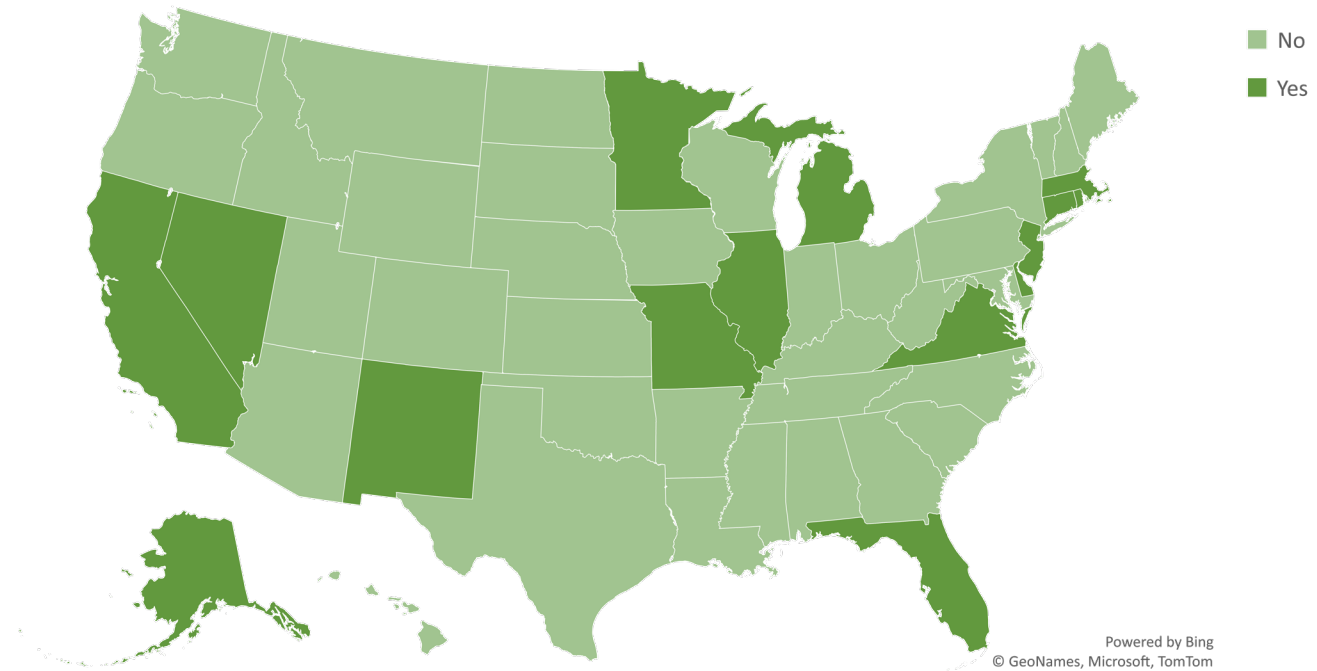
| Holiday | 2023 | 2024 |
|------------------------------|---|-------------|
| New Years | January 1 Jan 2 observed fed banks open) ** | January 1 |
| Martin L King | January 16 | January 15 |
| President’s Day | February 20 | February 19 |
| Memorial Day | May 29 | May 27 |
| Juneteenth | June 19 | June 19 |
| Independence | July 4 | July 4 |
| Labor Day | September 4 | September 2 |
| Columbus Day/ Indigenous Day | October 9 | October 14 |
| Veterans | November 11 – Sat – no holiday in 2023 | November 11 |
| Thanksgiving | November 23 | November 28 |
| Christmas | December 25 | December 25 |

State 2024 Updates

Minimum Wage Changes 2024

Some States that have announced raising their minimum wage in 2024:

- Alaska
- California
- Colorado
- Delaware
- Florida
- Illinois
- Maryland
- Michigan
- Minnesota
- New Jersey
- Puerto Rico
- Rhode Island
- Virginia



State Minimum Wage

| State | 2023 | 2024 | 2025 | State | 2023 | 2024 | 2025 | State | 2023 | 2024 | 2025 |
|-------|----------|------------|------------|-------|----------|---------------|------|-------------------------------------|----------|----------|----------|
| AK | \$ 10.85 | \$ 11.73 | | LA | FED | FED | | OK | FED | FED | |
| AL | FED | FED | | MA | \$ 15.00 | \$ 15.00 | | OR | \$ 14.20 | | |
| AR | \$ 11.00 | \$ 11.00 | | MD | \$ 13.25 | \$ 15.00 | | PA | FED | FED | |
| AZ | \$ 13.85 | \$ 14.35 | | ME | \$ 13.80 | \$ 14.15 | | PR | \$ 9.50 | \$ 10.50 | |
| CA | \$ 15.50 | \$ 16.00 | \$ 17.00 | MI | \$ 10.10 | \$ 10.33 | | RI | \$ 13.00 | \$ 14.00 | \$ 15.00 |
| | | | | | | \$10.85 Large | | | | | |
| CO | \$ 13.65 | \$ 14.42 | | MN | \$ 10.59 | \$8.85 Small | | SC | FED | FED | |
| CT | \$ 15.00 | \$ 15.69 | | MO | \$ 12.00 | \$ 12.35 | | SD | \$ 10.80 | \$ 11.20 | |
| DC | \$ 17.00 | \$ 17.00 | | MS | FED | FED | | TN | FED | FED | |
| DE | \$ 11.75 | \$ 13.25 | \$ 15.00 | MT | \$ 9.95 | \$ 10.30 | | TX | FED | FED | |
| FL | \$12.00 | 13.00 9/30 | 14.00 9/30 | NC | FED | FED | | UT | FED | FED | |
| GA | FED | FED | | ND | FED | FED | | VA | \$ 12.00 | \$ 12.00 | \$ 13.50 |
| HI | \$ 12.00 | \$ 14.00 | | NE | \$ 10.50 | \$ 12.00 | | VT | \$ 13.18 | \$ 13.67 | |
| IA | FED | FED | | NH | FED | FED | | WA | \$ 15.74 | \$ 16.28 | |
| ID | FED | FED | | NJ | \$ 14.13 | \$ 15.13 | | WI | FED | FED | |
| IL | \$ 13.00 | \$ 14.00 | | NM | \$ 12.00 | | | WV | \$ 8.75 | | |
| IN | FED | FED | | NV | \$ 11.25 | | | WY | FED | FED | |
| KS | FED | FED | | NY | \$ 14.20 | | | VI | \$ 10.50 | | |
| KY | FED | FED | | OH | \$ 10.10 | \$ 10.45 | | Federal Minimum Wage: \$7.25 | | | |

2024 SUI Wage Base (as of 11/9/23)

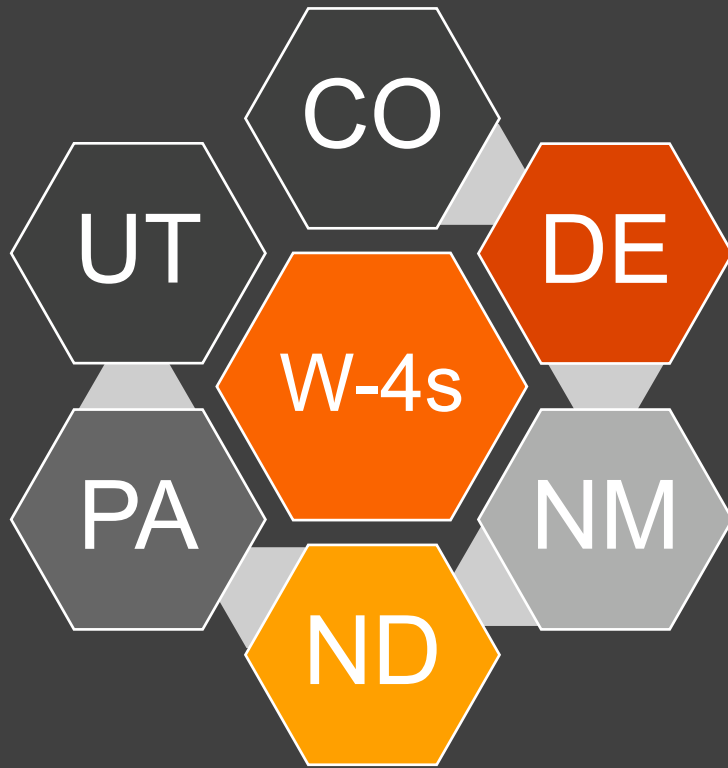
| | | | | | | | |
|--|---|----|---------------|----|-----------------------|----|--------|
| AL | 8,000 | IL | 13,271 | MT | 43,000 | PR | 7,000 |
| AK | 48,600 | IN | 9,500 | NE | 9,000 \$24,000 cat 20 | RI | 31,800 |
| AZ | \$8,000 | IA | 38,200 | NV | 40,600 | SC | 14,000 |
| AR | 7,000 | KS | 14,000 | NH | 14,000 | SD | 15,000 |
| CA | 7,000 | KY | 11,400 | NJ | 42,300 | TN | 7,000 |
| CO | \$23,800 2024 \$27,200 2025 \$30,600 2026 | LA | 7,700 | NM | 31,500 | TX | 9,000 |
| CT | \$25,000 | ME | 12,000 | NY | 12,500 | UT | 48,000 |
| DE | 10,500 | MD | 8,500 | NC | 26,800 | VT | 14,300 |
| DC | 9,000 | MA | 15,000 | ND | 39,100 | VA | 8,000 |
| FL | 7,000 | MI | 9,000 / 9,500 | OH | 9,000 | VI | 30,200 |
| GA | 9,500 | MN | 42,000 | OK | 27,000 | WA | 68,500 |
| HI | 61,800 | MS | 14,000 | OR | 54,100 | WV | 9,000 |
| ID | 53,300 | MO | 10,000 | PA | 10,000 | WI | 14,000 |
| Red Increase Green Decrease Purple Estimated | | | | | | WY | 30,900 |

States With Mandated Disability

| State | 2023 2024(red) Base | Rate |
|-------------------------------|---|---|
| CA | 1.1% <u>unlimited base</u> | |
| HI | \$1318.48 (wkly) max benefit | .5% max \$6.59 wk |
| NJ | \$42,300 | .00 DL .3825% UI .0425% WF .09% Fli |
| NY NY Family Medical Leave | \$120 (wkly) | .5%max \$.60 wk .373% max \$333.25 |
| PR | \$9,000 | .3% |
| RI | | 1.1% \$84,000 limit |
| VT | Employer Health Care Contribution 7/1/24 Employer rate .44% (FICA wage base) | 7/1/24 .11% Employee deduction |
| WA L & I | Employer 28.57% Employee 71.43% | .74%of Earnings up to soc sec wage base |

State Withholding Forms

States that do NOT
have state W-4s:

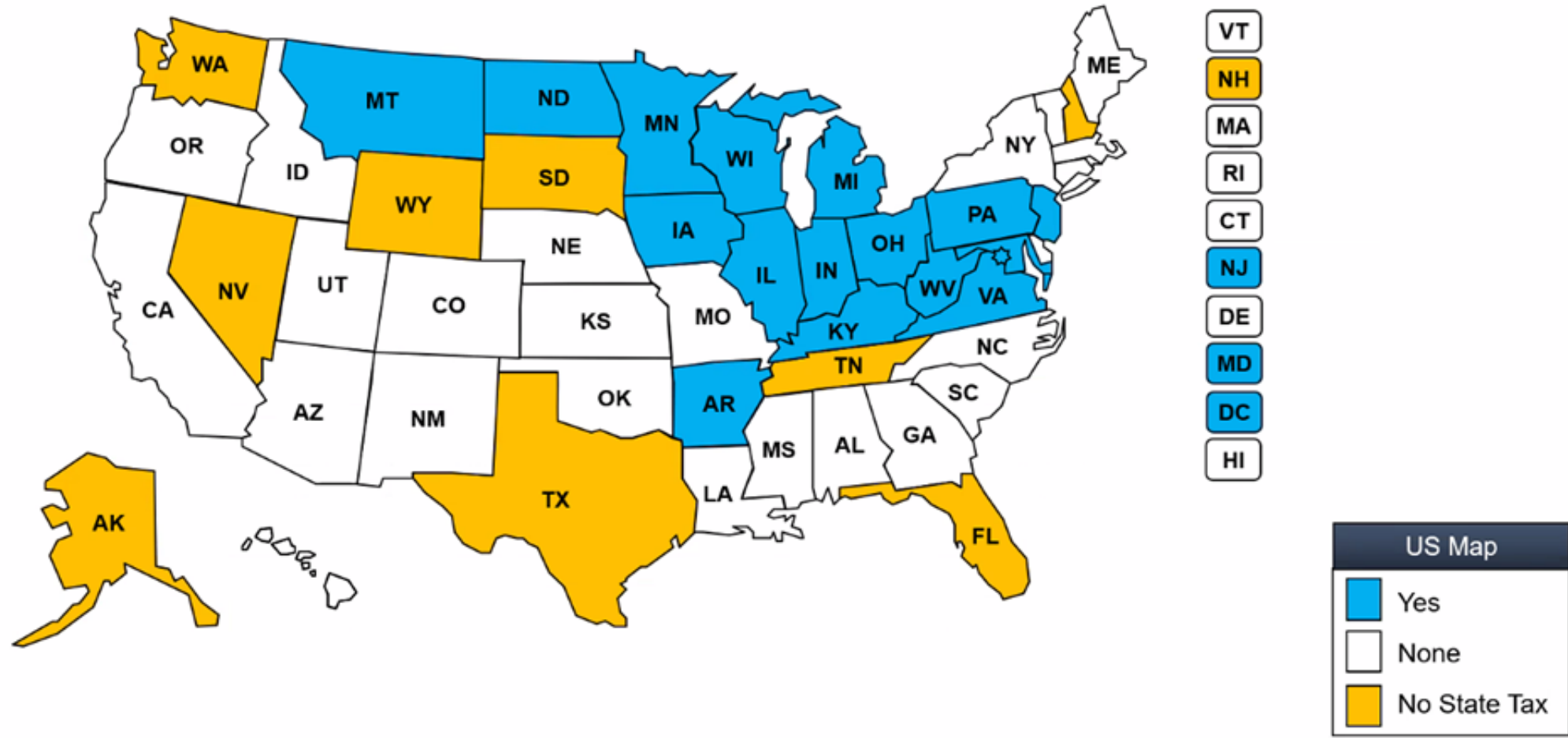


Employees that do NOT complete W-4

- **AL, CA, CO, DE, HI, ID, KS, ME, MN, MO, MT, NE, NM, NC, ND, OK, OR, RI and UT** follow federal rule to withhold as if employee was Single/Zero
- **District of Columbia, Puerto Rico, IL, IN, KY, MI, MS, OH, SC, VA** recommend to WHT zero allowances.
- **AZ** requires WHT at 2.7% of gross taxable wages.
- **AR** advises employers to either withhold as if zero exemptions or dependents, or use fed Form W-4.
- **CT** says to withhold at the highest *marginal tax rate (6.99%)*
- **GA** says to withhold using a single filing status with zero allowances claimed, or to use federal Form W-4.
- **LA** advises employers to withhold as if zero exemptions or credits for dependents were claimed.
- **MD** says to withhold as if one exemption was claimed.
- **MA, NJ, NY, WV, WI** advise employers to withhold based on federal Form W-4.
- **VT** advises employers to withhold based on federal Form W-4

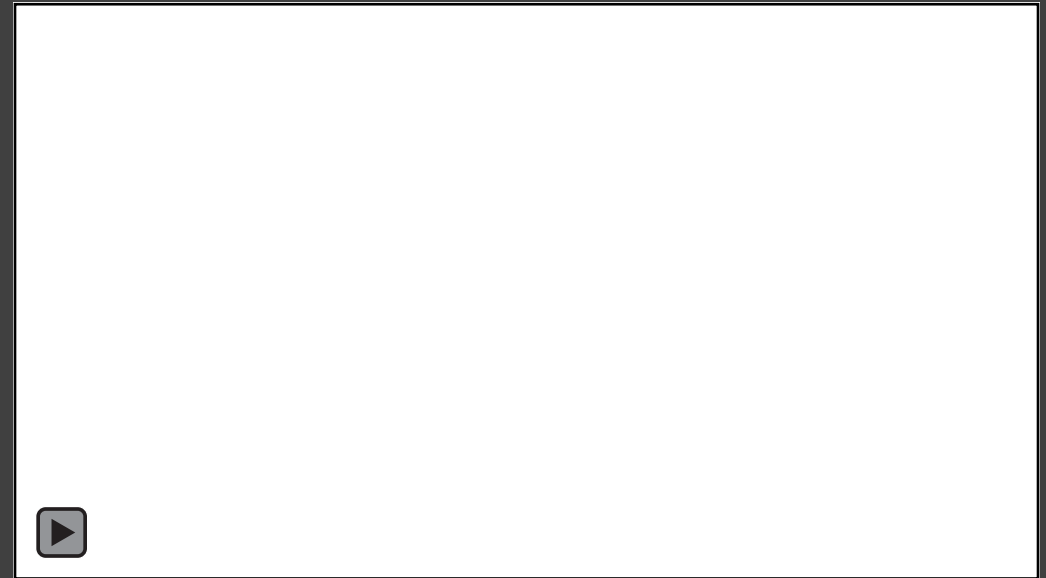


Reciprocal Withholding Agreements



Teleworking

- Out-of-State Remote Workers may create substantial Nexus as COVID-19 Protections Expire
- Remote work location may need to be tracked/taxed accordingly
- May results in double taxations



Please reference digital handout for more information on state specifics: <http://jimpaille.com/>

Convenience Rule = Double Taxation

Some states, including New York, conclude that **100% of wages paid to a nonresident are subject to state income tax**, if the employee is working out of state for the employee's **convenience**

Applies when an employee's primary work location is within NY and employee works at least one day in NY

The rule can result in **double taxation** (i.e., tax in both the resident state and New York)

States that require Notary or Witness for POA's

AK - UI State Form notary required

AL - UI State Form notary required

AR - UI Generic Form notary required

CT – UC-424 Notary required

DE - UI State Form notary required

IL – WH IL-2848 – 2 witnesses or notary required

MA – WH M-2848 – must be witnessed or notarized

MT – UI Authorization form requires a witness but **no notary**

NC - UI State Form notary required

NE - UI Generic Form notary required

NY – UI Form IA 900 notary required

OK - UI OES-190T notary required

PA – WH REV-677 – Requires 2 witnesses or notary

RI – WH RI-2848 - Requires 2 witnesses or notary

UT – UI DWS-UIC/Form notary required

VT – UI C-50 – must be witnessed or notarized

WI – UI UCT-8291 – requires a witness; **no notary**

WV – WH WV-2848 – 2 witnesses or notary required

WV – UI Generic Form notary required

Alabama to exempt overtime pay from taxable income TY 2023 +

Alabama HB 217 exempts overtime pay from taxable wages for income tax and withholding purposes, effective in 2024.

Effective for tax years from 1-1-24 to 6-30-25 ONLY!!, amounts received by full-time employees who are paid hourly for work performed in excess of 40 hours in a week are exempt from state income tax.

For tax year 2023, employers must submit to the DOR by 1-31-24: the total number of employees that received overtime pay for hours worked over 40 in a week, and the total amount of overtime pay. For tax year 2024 and after, the total number of employees that received overtime pay for hours worked over 40 in a week, and the total amount of overtime pay must be submitted monthly or quarterly along with withholding returns [H.B. 217, L. 2023]

The paper versions of Forms A-1, A-3, and A-6 will not be updated, and employers are encouraged to use the My Alabama Taxes portal for all filing and reporting purposes, the department said.

To report exempt overtime wages on federal Form W-2, Wage and Tax Statement, the department recommends that employers report the exempt amount in Box 14 using “EX OT WAGES” as the identifier, according to the guidance.

Its ONLY HOURS WORKED! (Not earnings like Sick, Vacation) – AND ONLY OverTime WORKED IN ALABAMA!

17 other states have like legislation under consideration for 2024!!

Alabama DOR Amends Income Tax Regulation Relating to Included, Excluded Wages 11/1/23

The Alabama Department of Revenue Oct. 31 amended a regulation on included and excluded wages for individual income tax purposes. The rule includes measures: 1) removing the provision stating that tax must be withheld from either all or none of an employee's earnings if the earnings come from a mix of exempt and taxable work; 2) providing that wages paid to a full-time hourly employee as compensation for work performed in excess of 40 hours in a workweek aren't taxable wages subject to withholding tax for tax years or periods beginning after Dec. 31, 2023, and ending before June 30, 2025; and 3) providing that the exemption for wages over 40 hours in a workweek won't apply to salaried or other alternate payment methods. The regulation takes effect Dec. 15. [Ala. Dep't of Revenue, Reg. Section 810-3-72-.01, 10/31/23 Ala. Admin. Monthly]

Miscellaneous State New Laws affecting Payroll

Illinois law requires employers to provide paid leave effective January 1, 2024

Effective January 1, 2024, SB 0208 requires employers to provide employees working within Illinois up to 40 hours of paid leave per 12-month period.

Employees must be employed for 90 days before they are entitled to use paid leave and employees hired before January 1, 2024, can begin using paid leave effective March 31, 2024.

Employees may take paid leave for any reason and are not required to provide their employers with the reason for the leave or documentation or certification as proof or support of their leave.

Minnesota—Pay History Ban Takes Effect January 1

In the August 2023 Minnesota Department of Labor and Industry's Wage and Hour Bulletin, employers are reminded that a provision (Minn. Stat. § 363A.08 as amended by Senate Bill 2909) that prohibits an employer from requesting salary history from a job applicant and any current employees seeking an internal promotion or transfer, takes effect beginning January 1, 2024. The new law applies to all Minnesota employers regardless of size.

Miscellaneous State New Laws affecting Payroll

California—Overtime Thresholds Increasing Along with Minimum Wage Rate Next Year

In addition to California's minimum wage rate increasing to \$16.00 per hour for all employers next year, the state's overtime thresholds are also going up in 2024. According to California law, employees covered by the executive, administrative, and professional exemptions must be paid a salary that is at least two times the state minimum wage.

On January 1, 2024, that threshold increases from \$64,480 per year to \$66,560 per year.

Also, the minimum wage increase impacts employees covered by the state's inside sales exemption. To qualify for that exemption, an employee's total compensation must be at least one and one-half times the state minimum wage (and more than half of the compensation must be in the form of commissions).

As such, the threshold for inside sales employees increases from \$48,360 to \$49,920 on January 1 next year.

New York Raises Salary Threshold for Exemption From Payday Laws

New York is increasing the weekly salary threshold for exemption from state wage payment laws to \$1,300 from \$900, under a bill that will go into effect on March 13, 2024.

[SB 5572](#) applies to the executive, administrative, and professional employee exemption from state laws regulating direct deposit and pay frequency.

Miscellaneous State New Laws affecting Payroll

California—Governor Expected to Sign Fast Food Minimum Wage Bill

A new bill (Assembly Bill 1228) currently on its way to Governor Newsom will require fast-food employers in California to pay at least \$20 per hour to all workers, effective April 1, 2024 .

California Expands Paid Sick Leave Law Beginning January 1, 2024

Effective January 1, 2024, employees in California will be entitled to additional paid sick leave (PSL). Legislation recently signed by the governor increases the amount of PSL an employee can take in a year. The amount of PSL an employee can accrue in a year, as well as the amount an employee can carry over, will also increase [S.B. 616, L. 2023 Office of the Governor, News Release, 10-4-23]. Effective January 1, 2024, the use cap will increase to 40 hours or five days in a year from 24 hours of PSL or three days in a year. This means that the amount of PSL that an employee can take in one year will increase.

California time rounding

Supreme court of California is taking up the legality of rounding time worked. Rounding or pay to time minute in question.

Miscellaneous State New Laws affecting Payroll

Colorado requires employee annual notice of earned income tax and other federal and state tax credits

Colorado has enacted HB 12-1006, which requires that, effective for tax year 2023, employers provide a written annual notice to their employees about available federal and state tax credits, including:

- The Colorado earned income tax credit
- The federal earned income tax credit
- The Colorado child tax credit
- The federal child tax credit
- Any other information required in regulations issued by the Colorado Department of Revenue (Department)

This annual notice must be provided to employees at the same time as the state Form W-2, which is due on or before January 31 for the previous tax year. (Colorado Withholding Tax Guide.)

The notice must be written in English or any other language the employer typically uses to communicate with its employees and may be provided to employees electronically, including via email or text message.

Connecticut - Eliminates additional SUI reporting requirements that were to go into effect third quarter 2024.

Uber / Lyft State News

Washington State - The state's 2022 law gave drivers higher pay rates as well as benefits such as workers' compensation insurance and paid sick time. It was [expanded in 2023](#) to ensure access to unemployment insurance and paid family leave at the companies' expense.

Minnesota – legislation to give drivers some benefits was vetoed by Governor

Colorado, Connecticut bills failed

California – drivers remain independent

Massachusetts bill in 2024



Money Transmission Licensing (MTL)

States Adopting Model Money Transmission Act

CSBS (Conference of State Bank Supervisors) model law published in SEP 2021; it explicitly **includes** payroll companies

- **"Payroll processing services"** means receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, [make payments relating to employee benefit plans], or make distributions of other authorized deductions from wages or salaries. The term payroll processing services does not include an employer performing payroll processing services on its own behalf or on behalf of its affiliate[, or a professional employment organization subject to regulation under other applicable state law].
- Different states have different rules & definitions of Money Transfer service - some include payroll companies, some do not
- IPPA (Independent Payroll Providers Association)/TPG/NPRC are working with lawyers & regulators to develop a singular set of requirements that would cover payroll companies - to self-regulate
- Auditing/reporting requirements differ from state-to-state - some are as frequent as weekly, others quarterly

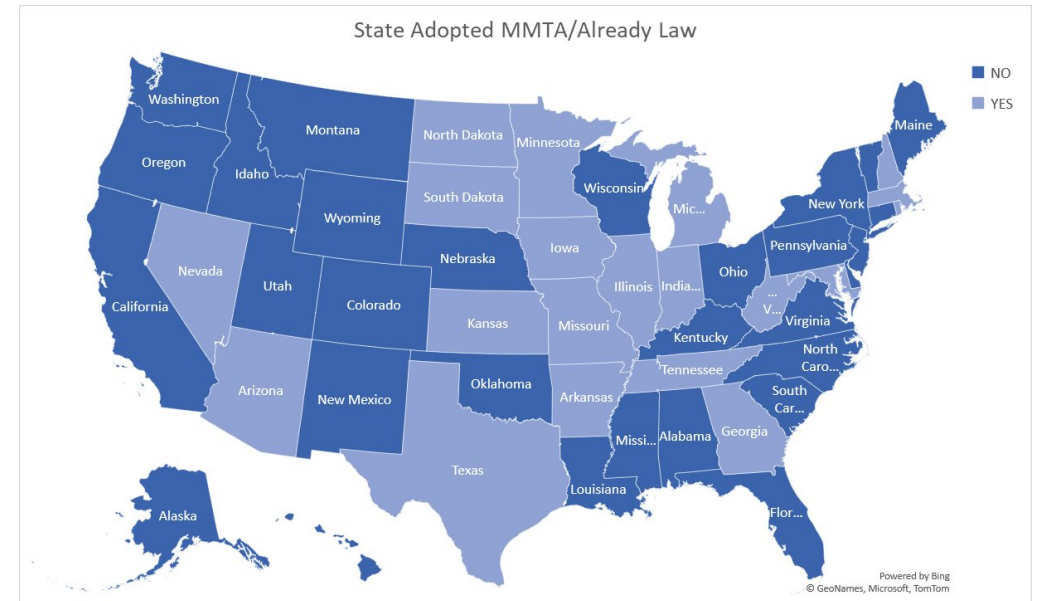
State myPay considers law: AL, AK, AZ, CT, DC, DE, FL, GA, HI, ID, IL, IA, KS, KY, LA, ME*, MD, MI, MN, MS, MO, NE, NV, NH, NJ, NM, NY, ND, OK, RI, SC, SD, TN, TX, UT, VT, WV

Already Law – MMTA- AR, AZ, GA, HI, IA, IN (eff 1/1/24), ME (eff 1/24 – enrollment NMLS 11/23), MN, ND, NH, NV, SD, TN, TX, WV

Pending Bills: CA*, IL, MA, MO, RI *should be final exempt

Specifically excludes Payroll Companies: AK (in committee), NC, OH, WA,

PA – will require bonding – filed March 29, 2023 (if enacted)



<https://www.csbs.org/csbs-model-money-transmission-modernization-act> (State Pending & Enacted MTMA Legislation)

MTL State Talk – THE WHY?



Protect You & Your Clients' Businesses from Penalties for Unlicensed Activity. Administrative penalties for unlicensed activity have been all over the map, anywhere from \$20,000 to \$875,000.

The financial obligations associated with the disclosure requirements for money transmitters are significant. Applicants must also meet high minimum capitalization requirements. Achieving complete compliance with federal and state laws can lead to a substantial initial financial expenditure. The continued costs of annual reporting, recordkeeping, audits, and legal fees often exceed the initial costs in the long term.

Avoid the licensing burden, stress, and potential financial hardship of penalties for unlicensed activity in payroll services. State Bonding can range from \$25,000 to \$2,000,000 and can cost anywhere from \$250 to thousands of \$\$ annually with potential capital deposits up to \$5,000,000 if you can even get bonded due to net worth requirements

Enforcement Action Taken by States 2015 - Current

| Company | Amount |
|--|-----------------|
| ADP Pacific Inc Total | \$ 50,000.00 |
| Applied Payroll Solutions Total | \$ 17,814.00 |
| Asure Total | \$ 13,375.00 |
| Asure Software Total | \$ 70,940.00 |
| Automatic Payroll Systems Inc Total | \$ 76,050.00 |
| Creative Solutions Software Corp Total | \$ 130,100.00 |
| CSG Forte Payments, Inc. Total | \$ 120,095.00 |
| GMS Services, Inc. d/b/a FastPay Payroll, Lubbock, Texas | \$ 68,366.00 |
| Heartland Payroll Services Total | \$ 113,959.78 |
| Inova Payroll Inc Total | \$ 96,815.54 |
| Insperity Payroll Services Total | \$ 66,400.00 |
| JetPay Corporation and JetPay HR & Payroll Services, Inc., T | \$ 59,250.00 |
| Kronos SaaShr, Inc Total | \$ 130,500.00 |
| Paychex Inc Total | \$ 516,947.03 |
| Paycom Software, Inc Total | \$ 212,500.00 |
| Paycor Total | \$ 60,000.00 |
| Paylocity Total | \$ 20,000.00 |
| PayPool LLC Total | \$ 47,832.00 |
| Payroll USA. INC Total | \$ 50,820.00 |
| PrimePay Total | \$ 227,928.00 |
| S&W Payroll Service LLC DBA Netchex Total | \$ 124,070.35 |
| The Ultimate Software Group, INC Total | \$ 191,250.00 |
| Zen Payroll Inc - DBA Gusto Total | \$ 1,581,508.04 |

| State | Amount |
|---------------------|-----------------|
| Alabama Total | \$ 125,000.00 |
| Alaska Total | \$ 51,100.00 |
| Arkansas Total | \$ 175,000.00 |
| Connecticut Total | \$ 110,500.00 |
| Idaho Total | \$ 80,000.00 |
| Kentucky Total | \$ 20,000.00 |
| Michigan Total | \$ 404,341.00 |
| Minnesota Total | \$ 25,000.00 |
| New Hampshire Total | \$ 1,200,103.05 |
| Texas Total | \$ 1,670,476.69 |
| Vermont Total | \$ 185,000.00 |

Total \$ 4,046,520.74

***This is public information that can be found under each state's websites or on NMLS

Money Transmitter Licensing – Standard Requirements

Getting Started:

- State Licensing - \$\$\$
- Criminal Background Check, Credit Reports and Finger Printing for each Direct Owner, Indirect Owner (if control), Executive Officer, Qualifying Individuals and Branch Managers
- Branch Licensing (if applicable)
- Financial Statements
- Surety Bonds – Some required to be electronic (ESB)
- Registered Agents – State Business/Entity Licensing – Good Standings in each state.
- Disclosure Questions/Explanations
- Bank Account Information
- Business Plans
- Management/Organizational Charts

Ongoing:

- A dedicated staff manage licensing (Legal, Compliance officer and Compliance Analyst)
- AML Policy – Independently Reviewed and Audited Annually
- Quarterly NMLS Reporting – Call Reports (Money Movement and Permissible Investments) – Unaudited Financials
- Annual Audited Financial Statements
- Annual Renewals
- Quarterly assessments (range from 0 – over \$5k – amounts determined by \$ of transmissions in state)
- State Examination (Licensee Expense)
- Cyber Regulations - CISO Required (IE: NY 500 & 504)
- Net Worth (Assets > x% outstanding transmissions)
- PII (Cash in Bank must Exceed Client Obligations)
- Ongoing OFAC and KYC testing – owners, employees of clients and employees of service bureau
- Background checks of all internal employees at time of hire
- Advance change notices

For State Specific Requests: <https://mortgage.nationwidelicencingsystem.org/slr/Pages/default.aspx>

MTL Minimum Net Worth Requirements

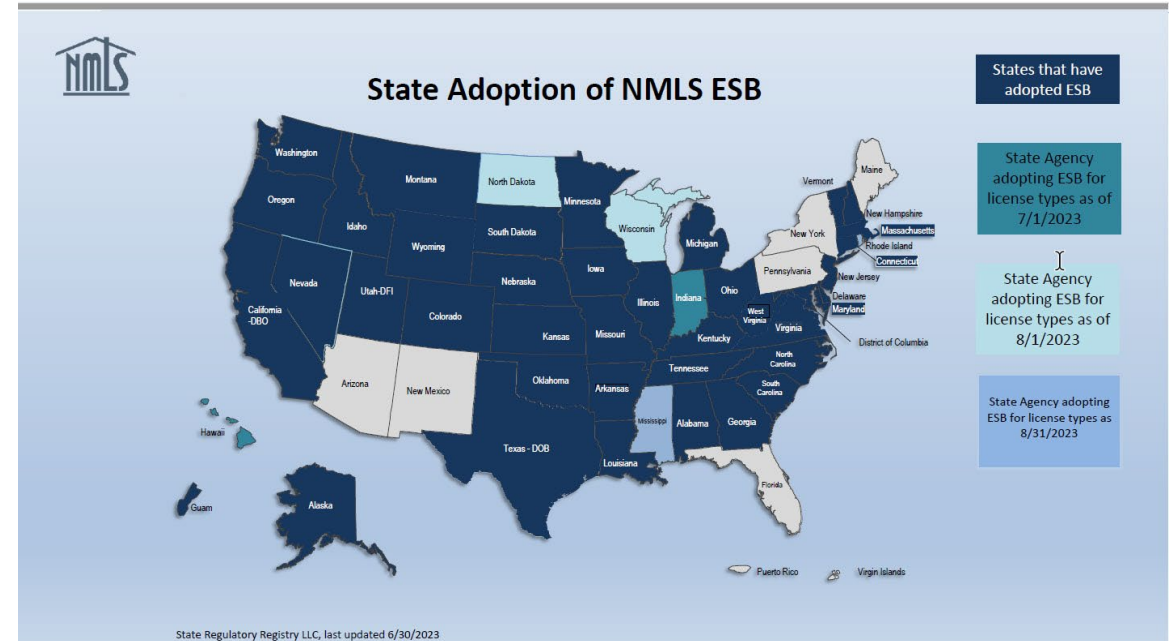
| MTL Minimum Net Worth | |
|-----------------------|---|
| State | NMLS New License Requirements |
| AK | The financial statement must illustrate a company net worth of \$25,000 |
| AL | The financial statement must illustrate a company net worth of \$25,000.00 |
| AZ | Licensee shall maintain at all times a tangible net worth as follows: oThe greater of \$100,000 or three percent of total assets for the first \$100,000,000. oTwo percent of additional assets for \$100,000,000 to \$1,000,000,000. oOne-half percent of additional assets for over \$1,000,000,000. |
| CT | \$100,000 to \$1,000,000 minimum, dependent on business activities. |
| DC | Money Transmitters MUST demonstrate and continuously maintain a minimum positive net worth of \$100,000 per licensed location. Licensees engaging in money transmission at more than one location or through authorized delegates are required to maintain a net worth of \$50,000 per additional location or authorized delegate. The maximum net worth required for all locations shall not exceed \$500,000. |
| DE | The financial statement must illustrate a company Net Worth of \$100,000 |
| FL | A licensee must have a net worth of at least \$100,000. A licensee operating in more than one location must have an additional net worth of \$10,000 per location in this state, up to a maximum of \$2 million. The required net worth must be maintained at all times. |
| GA | Not Listed |
| HI | Financial Statements: A licensee must have a net worth of not less than \$1,000, at all times. Financial statements for the Applicant must be prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). |
| IA | The financial statement must illustrate a company net worth of \$100,000, plus \$10,000 per authorized delegate not to exceed \$500,000. For applicants that have no locations in Iowa, the net worth requirement is \$500,000. |

| | |
|----|--|
| ID | Idaho licensees are required to demonstrate a continuing net worth of \$50,000, plus an additional increase in net worth of \$25,000 for each location (authorized representative and licensee-owned location) up to a maximum required net worth of \$250,000. |
| IL | Financial Statements: The financial statement must illustrate a company net worth that varies depending on number of locations in Illinois at which you or your authorized sellers are conducting business or propose to conduct business. # of LocationsNet worth required 1-3\$35,000 2-3\$50,000 4-5\$100,000 6-9\$150,000 10-14\$200,000 15-19\$300,000 20-24\$400,000 25+\$500,000 |
| KS | The financial statement must illustrate a company net worth of \$250,000. |
| KY | Minimum net worth of licensee. Each licensee under this subtitle shall at all times have a net worth of not less than five hundred thousand dollars (\$500,000), calculated in accordance with generally accepted accounting principles. |
| LA | The financial statements must provide evidence that the applicant has a \$100,000 net worth computed in accordance with GAAP. |
| MD | The financial statement must illustrate a company net worth of at least \$150,000, plus an additional net worth of \$10,000 for each additional location or authorized delegate, up to a maximum of \$500,000. |
| MI | The financial statement must illustrate a company net worth of \$100,000 plus \$25,000 for each additional location or authorized delegate, up to a maximum required net worth of \$1,000,000. |
| MN | Each licensee engaging in money transmission in three or fewer locations in the state, either directly or through authorized delegates, must have a net worth of at least \$25,000. Each licensee engaging in money transmission at more than three locations in the state, but fewer than seven locations, either directly or through authorized delegates, must have a net worth of at least \$50,000. Each licensee engaging in money transmission at more than six locations in the state, either directly or through authorized delegates, shall have a net worth of \$100,000 and an additional net worth of \$50,000 for each location or authorized delegate located in the state in excess of seven, to a maximum of \$500,000. |
| MS | The financial statement must illustrate a company net worth of \$25,000 plus \$15,000 for each location in excess of (1). |
| ND | The financial statement must illustrate a company net worth of no less than \$100,000 – NDCC 13-09-04. |
| NH | Companies must maintain a minimum positive net worth at all times Minimum net worth of licensee. Each licensee under this subtitle shall at all times have a net worth of not less than five hundred thousand dollars (\$500,000), calculated in accordance with generally accepted accounting principles. |
| NJ | |

| | |
|----|---|
| NM | Net Worth Requirement: A Licensee shall maintain a net worth of at least the following amounts determined in accordance with general accepted accounting principles: 1. For one to four locations of the licensee and authorized delegates in New Mexico, one hundred thousand dollars (\$100,000). 2. For Five or more locations of the licensee and authorized delegates in New Mexico or for an internet-based money services business, five hundred thousand dollars (\$500,000). Statutory Reference: Uniform Money Services Act § 58-32-206 NMSA 1978 |
| NV | The financial statement must illustrate a company net worth of \$100,000 unless the surety bond is in at least twice the minimum principal sum required by NRS 671.100. |
| NY | No Net Worth Defined |
| OK | Net worth (minimum net worth of \$275,000 for 1 to 50 locations; \$500,000 for 51 to 300 locations, \$1,500,000 for 301 to 800 locations, or \$3,000,000 for over 800 locations) |
| RI | Financial statements must reflect a positive net worth at all times |
| SC | Tangible net worth \$250,000 |
| SD | The financial statement must illustrate a company minimum tangible net worth of \$100,000. Total AssetsMinimum tangible Net Worth Up to \$100 MillionThe greater of \$100,000 or 3% of assets up to \$100 Million Between \$100 Million and \$1 Billion \$3,000,000 + 2% of assets from \$100 Million to \$1 Billion Above \$1 Billion\$21,000,000 + 0.5% of assets greater than \$1 Billion |
| TN | Each applicant for a license must demonstrate, and each licensee must maintain a net worth of not less than one hundred thousand dollars (\$100,000) computed according to generally accepted accounting principles. Persons transmitting or proposing to transmit money shall have an additional net worth of twenty-five thousand dollars (\$25,000) per additional location or agent located in Tennessee, as applicable, to a maximum of five hundred thousand dollars (\$500,000). |
| UT | The financial statement must illustrate a company net worth of at least \$1,000,000 as of most recent audited fiscal year end financials. |
| VT | The financial statement must illustrate a company net worth of \$100,000. |
| WI | Net worth (minimum net worth of \$275,000 for 1 to 50 locations; \$500,000 for 51 to 300 locations, \$1,500,000 for 301 to 800 locations, or \$3,000,000 for over 800 locations) |
| WV | Net worth provided must comply with statutory requirements as set forth in W. Va. Code §32A-2-8(d)(5). |

Surety Bonds

- Many state laws or regulations require financial services licensees to obtain a surety bond as conditions of licensure.
- Electronic Surety Bond Tracking in NMLS will allow for the tracking of surety bond requirements and the maintenance of surety bond information validated by authorized Surety Companies and/or Surety Bond Producers.
- Bond amounts vary by state and by volume of money movement.
- Bond amounts vary based on Surety Company and Value of the bond.
 - Largest Individual state bond cost for myPay Solutions: >\$7,500
 - Largest Individual State Bond: \$2M



Example: The State of Michigan does not require money transmitters to obtain any form of liability insurance as a prerequisite to obtaining a business license. Money transmitters must purchase and maintain a surety bond with the following limit: \$500,000 plus \$10,000 per additional office location to a maximum of \$1.5 million.

Surety Bonds Resources

For more information on Surety Bonds:

<https://mortgage.nationwidelicensingsystem.org/Pages/SuretyCompany.aspx>

Surety Bond Course:

<https://mortgage.nationwidelicensingsystem.org/Pages/ElectronicSuretyBondCourse.aspx>

For a List of Authorized Surety Companies and Producers:

<https://mortgage.nationwidelicensingsystem.org/Pages/esbt.aspx> under ESB State Adoption

More FAQ's can be found on the above page

Wrap-Up

- Please remember to complete your session evaluation! We appreciate your feedback.
- If we were not able to answer your question during the session, please visit with our onsite Support team.
- Keep the momentum going by engaging with Thomson Reuters staff and your peers in the SYNERGY Village.



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SYNERGY

**Thank you for
attending!**



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