

# 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

# Jim Paille, CPP

- **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



**Understand the latest tax reform items that affect payroll**



**Discover new IRS initiatives**



**Discuss impact and Changes at Federal & State levels.**



**Utilize tips to make year-end processing more efficient and effective**



# 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
- Wrap Up

# Disclaimer



**Disclaimer**

Information in this handout is current as of December 11, 2023.

All content is subject to legislative changes. Updated handouts will be posted to [jimpaille.com](http://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](http://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



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](http://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.


<b>1</b>	Wages, tips, and other compensation	1	<input type="text"/>
<b>2</b>	Federal income tax withheld from wages, tips, and other compensation	2	<input type="text"/>
<b>3</b>	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.
<b>4</b>	Taxable social security and Medicare wages and tips:		
	<small>Column 1</small>	<small>Column 2</small>	
<b>4a</b>	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(i) and 4a(ii) only for taxable qualified sick and family leave wages paid in 2022 for leave taken after March 31, 2020, and before April 1, 2021.
<b>4a (i)</b>	Qualified sick leave wages* <input type="text"/> × 0.002 =	<input type="text"/>	
<b>4a (ii)</b>	Qualified family leave wages* <input type="text"/> × 0.002 =	<input type="text"/>	
<b>4b</b>	Taxable social security tips <input type="text"/> × 0.124 =	<input type="text"/>	
<b>4c</b>	Taxable Medicare wages & tips <input type="text"/> × 0.029 =	<input type="text"/>	
<b>4d</b>	Taxable wages & tips subject to Additional Medicare Tax withholding <input type="text"/> × 0.009 =	<input type="text"/>	
<b>4e</b>	Total social security and Medicare taxes. Add Column 2 from lines 4a, 4a(i), 4a(ii), 4b, 4c, and 4d	<b>4e</b>	<input type="text"/>
<b>5</b>	Total taxes before adjustments. Add lines 2 and 4e	<b>5</b>	<input type="text"/>
<b>6</b>	Current year's adjustments (see instructions)	<b>6</b>	<input type="text"/>
<b>7</b>	Total taxes after adjustments. Combine lines 5 and 6	<b>7</b>	<input type="text"/>
<b>8a</b>	Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 before April 1, 2021	<b>8a</b>	<input type="text"/>
<b>8b</b>	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021	<b>8b</b>	<input type="text"/>
<b>8c</b>	Reserved for future use	<b>8c</b>	<input type="text"/>
<b>8d</b>	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021	<b>8d</b>	<input type="text"/>





# 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 <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
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			
		5 Medicare wages and tips		6 Medicare tax withheld			
		7 Social security tips		8 Allocated tips			
		9 Advance EIC payment		10 Dependent care benefits			
d Employee's social security number		444-XX-XXXX		11 Nonqualified plans		12a See instructions for box 12	
e Employee's first name and initial Last name  Susan A. Quintana 1000 Old Club Rd SW Albuquerque, NM 87105		13a Statutory employee <input type="checkbox"/>		13b Retirement plan <input type="checkbox"/>		13c Third-party sick pay <input type="checkbox"/>	
		14 Other		12b			
				12c			
f Employee's address and ZIP code				12d			
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	
NM	44-0XXXXXX-XX	16500.25	404.26				

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.

# 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 Suff.		11 Nonqualified plans	
		12a See instructions for box 12	
		12b	
		12c	
f Employee's address and ZIP code		12d	
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

# State Electronic Filing Requirements

Alabama	Yes, if 25 or more wage statements.
Arizona	Yes, all W-2s must be submitted electronically online.
Arkansas	125 employees, beginning with the 2024 filing year (2023 tax year).
California	No, state does not require W-2 submission. Reported on quarterly return. W-2's unwanted.
Colorado	Yes, if required to file federal W-2s electronically (threshold reduced to 10 information returns in aggregate beginning with the 2024 processing year)
Connecticut	Yes, if 25 or more W-2 forms
Delaware	Yes, if required to file federal W-2s electronically (threshold reduced to 10 information returns in aggregate beginning with the 2024 processing year)
District of Columbia	Yes, if 25 or more W-2 forms.
Georgia	If an employer is required to file monthly, quarterly or annual returns electronically, electronic filing is required.
Hawaii	Yes, if required to file federal W-2s electronically (threshold reduced to 10 information returns in aggregate beginning with the 2024 processing year)
Idaho	If required to file electronically with the IRS and have at least 50 Idaho employees.
Illinois	Yes, for all employers/payroll service providers.
Indiana	Yes, if more than 25 W-2, W-2G, 1099-R, state WH-18 statements.
Iowa	Yes, for all employers/withholding agents.

Kansas	Yes, if more than 50 W-2 forms.
Kentucky	Yes, all employers/withholding agents.
Louisiana	Yes, if 50 or more W-2 forms.
Maine	Yes, if required to file federal W-2s electronically (threshold reduced to 10 information returns in aggregate beginning with the 2024 processing year)
Maryland	Yes, if 25 or more W-2 forms.
Massachusetts	Yes, if 50 or more W-2 forms.
Michigan	Yes, if 250 or more employees.
Minnesota	Yes, if more than 10 W-2 forms.
Mississippi	Yes, if 25 or more W-2 forms, employer used single service provider for full year, or employee leasing company provided personnel.
Missouri	Yes, if 250 or more W-2 forms.
Montana	No, electronic filing optional.
Nebraska	Yes, if 50 or more W-2 forms.
New Jersey	Electronic filing required.
New Mexico	Yes, if Form 903A or TRD-31109 not filed and 50 or more employees.
New York	No, state does not accept W-2 form submissions. Wage and tax information filed with fourth quarter reports using IT-2 form.
North Carolina	Yes, all W-2 forms must be filed electronically.
North Dakota	Yes, for employers who file 10 or more information returns.
Ohio	Yes, if withholding tax is filed or paid electronically.
Oklahoma	Yes, all employers must electronically file.

Oregon	Yes, for all employers/payroll services providers.
Pennsylvania	Yes, if 10 or more W-2s.
Puerto Rico	Yes, all Forms W-2PR must be submitted electronically.
Rhode Island	Yes, if 25 or more W-2s and if required for federal purposes.
South Carolina	Yes, if required to file federal W-2s electronically (threshold reduced to 10 information returns in aggregate beginning with the 2024 processing year)
Utah	Yes, all W-2s must be filed electronically.
Vermont	Yes, if 25 or more W-2s, if pay withholding tax on a semiweekly schedule, or if payroll service provider with multiple clients.
Virginia	Yes, all employers required to file electronically.
West Virginia	Yes, if 25 or more W-2s.
Wisconsin	Yes, if 10 or more W-2s.

# 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 <b>1099-NEC</b> (Rev. January 2022) For calendar year 20 ____		<b>Nonemployee Compensation</b>	
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$			<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> <small>For Privacy Act and Paperwork Reduction Act Notice, see the <b>current</b> General Instructions for Certain Information Returns.</small>
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
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  
**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**



## 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.

# Employers in Four Tax Jurisdictions Face a FUTA Credit Reduction for 2023 (final)

California, New York, Virgin Islands

CA, NY credit reduction of .6% (total per EE max \$84)

VI – 4.5% (total per EE max \$315)

Form **940 for 2022: Employer's Annual Federal Unemployment (FUTA) Tax Return** 850113  
OMB No. 1545-0028  
Department of the Treasury — Internal Revenue Service

Employer identification number (EIN) <input type="text"/> - <input type="text"/> Name (not your trade name) <input type="text"/> Trade name (if any) <input type="text"/> Address <input type="text"/> <small>Number Street Suite or room number</small> <input type="text"/> <input type="text"/> <input type="text"/> <small>City State ZIP code</small> <input type="text"/> <input type="text"/> <input type="text"/> <small>Foreign country name Foreign province/country Foreign postal code</small>	<b>Type of Return</b> <small>(Check all that apply.)</small> <input type="checkbox"/> a. Amended <input type="checkbox"/> b. Successor employer <input type="checkbox"/> c. No payments to employees in 2022 <input type="checkbox"/> d. Final: Business closed or stopped paying wages <small>Go to <a href="http://www.irs.gov/Form940">www.irs.gov/Form940</a> for instructions and the latest information.</small>
--	--

Read the separate instructions before you complete this form. Please type or print within the boxes.

**Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.**

1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . . . . . 1a

1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer . . . . . 1b  Check here. Complete Schedule A (Form 940).

2 If you paid wages in a state that is subject to CREDIT REDUCTION . . . . . 2  Check here. Complete Schedule A (Form 940).

**Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.**

3 Total payments to all employees . . . . . 3

4 Payments exempt from FUTA tax . . . . . 4

Check all that apply: 4a  Fringe benefits 4c  Retirement/Pension 4e  Other  
 4b  Group-term life insurance 4d  Dependent care

5 Total of payments made to each employee in excess of \$7,000 . . . . . 5

6 Subtotal (line 4 + line 5 = line 6) . . . . . 6

7 Total taxable FUTA wages (line 3 - line 6 = line 7). See instructions. . . . . 7

8 FUTA tax before adjustments (line 7 x 0.006 = line 8) . . . . . 8

**Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.**

9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 . . . . . 9

10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . . . . . 10

11 If credit reduction applies, enter the total from Schedule A (Form 940) . . . . . 11

**Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.**

12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) . . . . . 12

13 FUTA tax deposited for the year, including any overpayment applied from a prior year . . . . . 13

14 Balance due. If line 12 is more than line 13, enter the excess on line 14.  
 • If line 14 is more than \$500, you must deposit your tax.  
 • If line 14 is \$500 or less, you may pay with this return. See instructions . . . . . 14

15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below . . . . . 15

You MUST complete both pages of this form and SIGN it. Check one:  Apply to next return.  Send a refund.

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 112340 Form 940 (2022)



# 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].

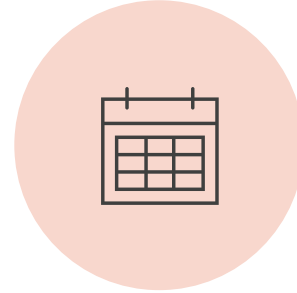


More employers will be required to e-file in 2024 as the threshold is lowered to 10 aggregate returns. Additional guidance is available on the IRS's FIRE webpage.

# 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

- \$60/return \$664,500 max \$232,500 small business

31 days -  
July 31

- \$130/return \$1,993,500 max \$664,500 small business

Aug 1 -  
later

- \$330/return \$3,987,000 max \$1,329,000 small business \$660/return for intentional disregard

## IRS- PTIN



**\$11 fee per PTIN application or renewal + \$8.75 fee payable to a contractor = \$19.75**  
(renew NOW! Such a deal!!)



Those who prepare federal tax returns or claims for refund for compensation **must have** valid **PTIN** from the IRS



IRS Issues **Revised PTIN Application** (with or w/o SSN) [\*\(IRS Paid Preparer Tax Identification Number \(PTIN\) Application and Renewal\)\*](#)

# 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  <b>2021</b>  Form 1099-K		<b>Payment Card and Third Party Network Transactions</b>
		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"/>		1a Gross amount of payment card/third party network transactions \$	<b>Copy A For Internal Revenue Service Center</b>
		1b Card Not Present transactions \$	2 Merchant category code	3 Number of payment transactions	
PAYEE'S name		5a January \$		5b February \$	
		5c March \$		5d April \$	
Street address (including apt. no.)		5e May \$		5f June \$	
		5g July \$		5h August \$	
City or town, state or province, country, and ZIP or foreign postal code		5i September \$		5j October \$	
		5k November \$		5l December \$	
PSE'S name and telephone number		6 State		7 State identification no.	8 State income tax withheld \$
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  
**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

Effective January 1, 2023: 1099-K replaces “more than \$20,000 and more than 200 transactions” threshold for 3<sup>rd</sup> -party settlement organization (TPSO) filing and replaces it with the single “\$600 or more” reporting threshold. **Latest news the IRS postponed again! 2023 stays old rate. 2024 becomes \$5,000 then 2025 \$600.**

# 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 - ??????????

## 1<sup>st</sup> 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.

## 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 <b>W-4</b> Employee's Withholding Certificate		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service			
Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.		Give Form W-4 to your employer.	
Your withholding is subject to review by the IRS.		2024	
<b>Step 1:</b> Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		
	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 <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> .			
<b>Step 2:</b> 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 <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> 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, (b) 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.)			
<b>Step 3:</b> 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 \$			
<b>Step 4 (optional):</b> 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) \$		
<b>Step 5:</b> 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
<b>Employers Only</b>	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 <b>W-4P</b> Withholding Certificate for Periodic Pension or Annuity Payments		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service			
Give Form W-4P to the payer of your pension or annuity payments.		2024	
<b>Step 1:</b> Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		
	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 pages 2 and 3 for more information on each step, when to use the estimator at <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> , and how to elect to have no federal income tax withheld (if permitted).			
<b>Step 2:</b> 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 <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> 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.			
<b>Step 3:</b> 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 \$			
<b>Step 4 (optional):</b> 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) \$		
<b>Step 5:</b> Sign Here	Your signature (This form is not valid unless you sign it.)		
	Date		Date

For Privacy Act and Paperwork Reduction Act Notice, see page 3. 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 03/31/2026

**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)

**Section 2. Employer Review and Attestation:** 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.

	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)					
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)					

Additional Information

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

Co-attestation: 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 ▼
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.)

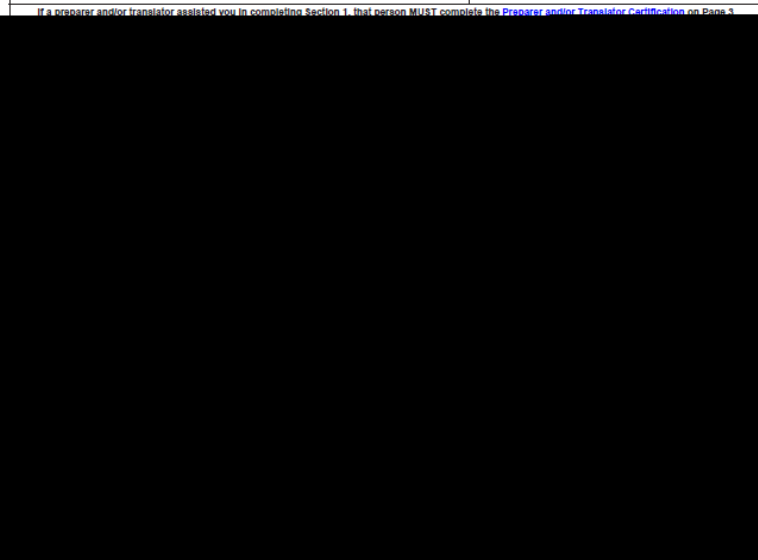
3. A lawful permanent resident (Enter USCIS or A-Number.)

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) \_\_\_\_\_



**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, knowlec

Signature

Last Name

Address

I attest, knowlec

Signature

Last Name

Address

I attest, knowlec

Signature

Last Name

Address

Edition 08/01/23 Page 3 of 4 Form I-9

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

# 2023 Rates

	2023	2024
Foreign Income Exclusion	\$120,000	<b>\$126,500</b>
Minimum annual comp 408	\$750	\$750
Adoption Exclusion limits	\$15,950	<b>\$16,810</b>
-Phase out AGI	\$239,230	<b>\$252,150</b>
-Total exclusion AGI	\$263,410	<b>\$292,150</b>
Definition of Control Employee /commuting/gvmt		
-Corp officer	\$135,000	<b>\$150,000</b>
-Earnings test §415(b)(1)(A)	\$265,000	<b>\$275,000</b>
Definition of Highly Comp. Key Employee Top Heavy Plan FSA	\$150,000 \$215,000 \$3,050	<b>\$155,000</b> <b>\$220,000</b> <b>\$3,200</b>
Excepted benefit HRA Small Employer HRA (QSEHRA)	<b>\$1,950</b> <b>\$5.850</b>	<b>\$6,150</b>
Long Term Premiums - <40	\$480	<b>\$470</b>
-40-50	\$890	<b>\$880</b>
--50-60	\$1,790	<b>\$1,760</b>
- 60-70	\$4,770	<b>\$4,710</b>
->70	\$5,960	<b>\$5,880</b>

# 2023 Rates

	2023	2024
<b>Limitations</b>		
- 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		
<b>HSA</b>		
- 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

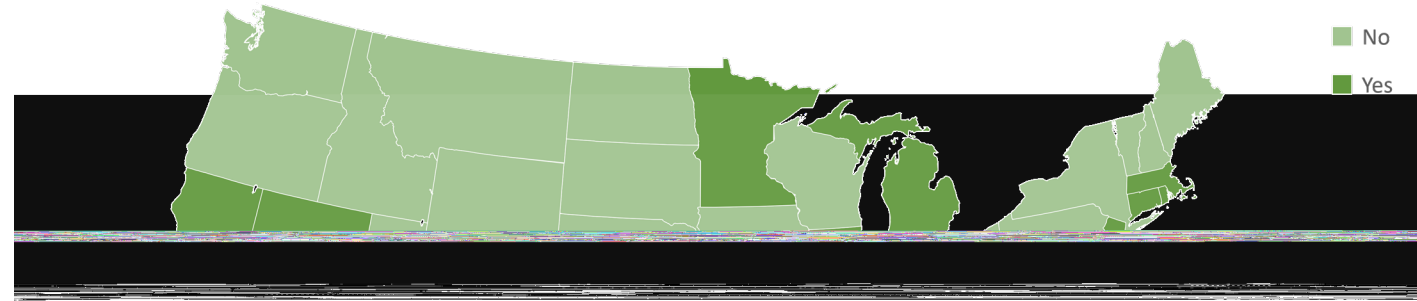
# Bank / Federal Holiday Schedule

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

# 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	\$ 12.30		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	\$ 15.00		VI	\$ 10.50		
KY	FED	FED		OH	\$ 10.10	\$ 10.45		<b>Federal Minimum Wage: \$7.25</b>			

# 2024 SUI Wage Base (as of 12/11/23)

AL	8,000	IL	13,590	MT	43,000	PR	7,000
AK	49,700	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	47,000
DE	10,500	MD	8,500	NC	31,400	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
						WY	30,900
<span style="color: red;">Red Increase</span> <span style="color: green;">Green Decrease</span> <span style="color: purple;">Purple Estimated</span>							

# States With Mandated Disability

State	2023 2024(red) Base	Rate
CA	1.1% <u>unlimited base</u>	
HI	\$1374.78 (wkly) max benefit	.5% max \$6.87 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

### States With Flat Supplemental Wage Rates (2023)

State	Withholding Rate
Alabama	5%
Arkansas	4.7%
California	6.6 or 10.23%
Colorado	4.55%
Georgia	2 - 5.75%*
Idaho	6%
Illinois	4.95%
Indiana	3.15%
Iowa	6%
Kansas	5%
Kentucky	4.5%
Maine	5%
Maryland	3.2 - 8.95%*
Michigan	4.05%
Minnesota	6.25%
Missouri	4.95%

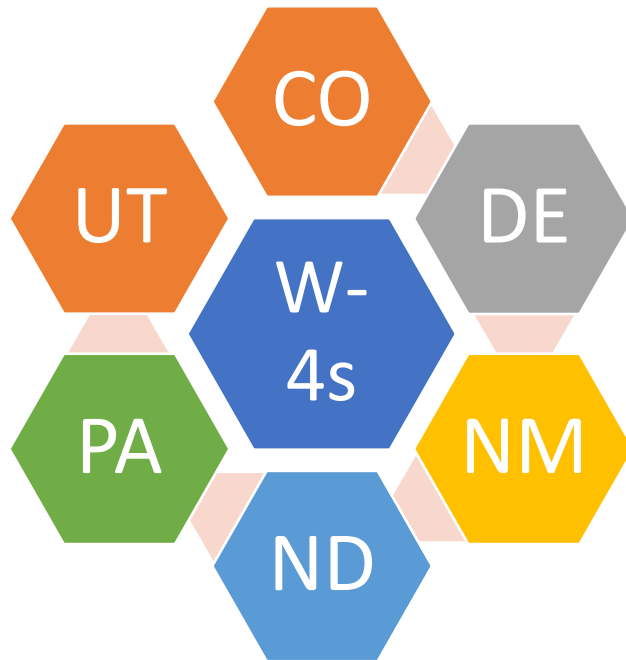
State	Withholding Rate
Montana	6%
Nebraska	5%
New Mexico	5.9%
New York	11.7%
North Carolina	4.85%
North Dakota	1.5%
Ohio	3.5%
Oklahoma	4.75%
Oregon	8%
Pennsylvania	3.07%
Rhode Island	5.99%
South Carolina	6.5%
Vermont	6.6 - 11.1%*
Virginia	5.75%
Wisconsin	3.54 - 7.65%*

2023 Rates Listed are Subject to Change

\* Rates Vary by Amount or Type of Payment

## 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



# 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.

## Miscellaneous State New Laws affecting Payroll

- **Illinois** - On November 3, 2023, the Illinois Department of Labor issued [proposed regulations](#) to implement the state's Paid Leave for All Workers Act. The Act requires most Illinois employers to provide up to 40 hours of paid leave per year for any purpose, *effective January 1, 2024*. Illinois rulemaking procedures require at least a 90-day notice period before the regulations can be finalized



## 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



Thank you for  
attending!

