

# Payroll News

## November Meeting!

Join us for our November Breakfast chapter meeting on Thursday, **November 09, 2017 at 7:30 a.m.** We are delighted to have speaker, Clay Brinson, CFP, from Northwestern Mutual present on the topic of 401K. More details to come!

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As a reminder, Daylight Saving Time ends on Sunday, November 5. Don't forget to set your clocks back one hour!



Please extend a huge CONGRATULATIONS to our newly certified Fundamental Payroll Certification recipients (FPCs) and Certified Payroll Professionals (CPPs). They include: Tammie Benthall, CPP, Cindy Le, CPP, Nikki Rogers, CPP and Kristi Nelson, FPC.

APA certification is a valuable, objective credential that verifies a specified level of knowledge, skills, and abilities in the payroll profession. Certification helps individuals demonstrate their payroll expertise, secure promotions, advance their careers, and enhance their standing within the profession. This is a huge accomplishment both personally and professionally and required months of study and preparation. For more information on these certifications, please visit the APA website at <http://www.americanpayroll.org/certification-2/>.

## IRS Updates

### Limits Have Been Announced for 2018!

On October 13, the Social Security Administration (SSA) announced that the 2018 social security wage base will be \$128,700, an increase of \$1,500 from \$127,200 in 2017.

Below are the additional tax breakouts:

- **Maximum social security tax** - The maximum 2018 social security tax employees and employers will each pay is \$7,979.40. This is an increase of \$93, from \$7,886.40 in 2017.
- **Medicare tax** - As in prior years, there is no limit to the wages subject to the Medicare tax; therefore, all covered wages are still subject to the 1.45% tax. As in 2017, wages paid in excess of \$200,000 in 2018 will be subject to an extra 0.9% Medicare tax that will only be withheld from employees' wages. Employers will not pay the extra tax. Note that the \$200,000 threshold for the additional Medicare tax is not subject to adjustments for inflation.
- **FICA (combined) tax** - The 2018 FICA tax rate, which is the combined social security tax rate of 6.2% and the Medicare tax rate of 1.45%, will be 7.65% up to the social security wage base.

### Pension / 401(k) Limits announced for 2018.

Entire article: <https://www.irs.gov/newsroom/irs-announces-2018-pension-plan-limitations-401k-contribution-limit-increases-to-18500-for-2018>

Highlights: The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$18,000 to \$18,500. The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans remains unchanged at \$6,000.

**Qualified Transportation Benefits:** For tax year 2018, the monthly limitation for the qualified transportation fringe benefit is \$260, as is the monthly limitation for qualified parking,

### IRS Information Reporting Penalty Amounts Indexed for 2018

On October 19, 2017, the IRS announced via Revenue Procedure 2017-58 the penalties under the Internal Revenue Code (IRC) for failure to file correct Information Returns, such as Forms W-2, 1099 and 1095-C, by the due date, and failure to furnish correct Information Returns to employees and other recipients by the required due date. [Read More](#)

## November 2017 Service Project:

Operation Shoebox will be our volunteer project for November. Watch for more details in the coming days!



## Volunteering

Keep an eye on your emails and our social networks for volunteer activities for yourself and often the family as well. A few organizations we support are:



## Payroll IS the 5<sup>th</sup> Element: My Experience at Statewide

*Written By: Kristi Nelson, FPC*

Earth... Fire... Wind... Water... Payroll? For someone of my generation, this combination might bring to mind the popular 90's children's show, *Captain Planet*, only with a twist where "Heart" is replaced by "Payroll." However, this creative theme of the **2017 Georgia Statewide Payroll Conference** was not at all related to the cartoon, nor was that the inspiration. According to Dorothy Waits, CPP, when presented with the idea of the elements of payroll, she immediately thought of the old movie, *The Fifth Element*. From there, the theme of "Payroll IS the 5<sup>th</sup> Element" took off, with **Earth** representing employees, **Wind** as all of the various changes, **Water** being the symbol for the way information flows through the payroll world, and **Fire** being the many regulations that exist. On October 13, as a newly certified and first-time Statewide attendee, I watched in awe as captivating speakers with different careers shared valuable knowledge on the ways that payroll relates to their expertise, as well as the overall theme.

Other than a continental breakfast and a day full of presentations, I didn't know what to expect going into the conference. But since I was still celebrating passing my FPC exam just days before, I was thrilled to hear APA Director of Training, Hope Williams, CPP discuss her own experience with certifications in the opening statements. Hope mentioned that she was "the original FPC," having taken the test the first time it was offered and waiting **two months** for the results! Hope said that she had a good feeling that she passed, but also doubted herself. Although my wait was more like two agonizing minutes, I could relate to this idea of self-doubt. Hope went on to state that certifications say to the world "I know what I'm doing." This idea of certifications being important and necessary in the payroll world was a reoccurring theme throughout the conference, which I appreciated.

Xavier Cugnon, VP of HR for Arrow Exterminators, set the tone for the morning presentations like a pro. His delivery was dynamic, and his message of **Earth** being the foundation that you create for your employees was relevant. He explained two analogies for the impact employees have on a company and vice versa. The first was that if you enrich the soil, being the environment that you create for your employees, then you will have a flourishing crop. His other metaphor, which I found extremely clever, related the employee life cycle to the matrimonial experience. As a manager or employer he said, "An employee needs to be in love with you, stay in love with you, and you need to keep them engaged and fulfilled." There were many unique ideas presented, such as the concept of an employee's first day being the "**wedding day**," where you need to show them that you're still a "**Casanova**." Xavier mentioned a hand written note as an example of this, and it reminded me of the plant that I received on my first day at my job which I still nurture and keep alive, for the most part, two years later. Xavier's message was well received by myself and others. He attributes that to humor and said, "I realize that there is an element of theater in presenting, and usually how you deliver a message really impacts the retention of the message that you're delivering."

After learning about how companies should be "keeping it spicy" for their employees the way spouses do in a marriage, I knew that Xavier would be a tough act to follow. Even though the next speaker, Jonathan Martin, ESQ, is a Partner at Constangy, Brooks, Smith & Prophete, LLP, the law firm where I work, part of me was dreading the presentation on regulations. Truth be told, payroll regulations and FLSA standards are not the most interesting topics, especially after weeks of studying them to prepare for an exam. However, to say that Jonathan's presentation exceeded my previous expectations would be a vast understatement. "Keeping Up With Regulations," was honestly one of the most interesting presentations I've ever witnessed, filled with hilarious anecdotes about HR and payroll related mistakes that are made by employers, and helpful tips to keep employees happy. Some of the prevalent points made during his speech were: make sure your employees are correctly classified, pay attention to overtime rules, don't deceive the employees or you lose credibility, leadership is based on relationships, look for opportunities to recognize people, and incorporate food when possible since people bond over food. When I spoke to Jonathan after the speech, one bit of advice that he hoped to leave behind was, "Treat your employees well, and they probably won't sue you. Act like a jerk and they will!"

During the break, I had the opportunity to speak to some of the vendors that were present at the conference. Aside from entering my name in the drawings for prizes, I wanted to get their opinion on events like the Statewide Conference. The responses were pretty consistent. For Jessica Roth of Ultimate Software, the benefits of such events include connecting with prospects and networking, and giving people a chance to look at new solutions with a fresh perspective. This was similar to the response of Ken Mallin of TimeCentre who said that attending such events gave him the opportunity to meet and greet potential clients and hear their needs in the industry.

Speaking of meeting the demands of the industry, Keith Webb of Ultimate Software did an awesome job of connecting the element of **Water** to software, and making me laugh the entire time he was talking. First and foremost, Keith's presentation taught me that I am actually well within the Millennial age range. I wasn't aware of that. There was an activity where Keith split the room into "**Team Awesome**" and "**Team Epic**," and asked us to identify different types of technology including a floppy disk and a VHS tape. It was fun and eye opening. He mentioned that technology is moving in a direction that favors the way Millennials think, work, and want to receive information, and it is important for payroll professionals to keep up with this trend. According to Keith, "Technology is a big driver in the evolution of the employee engagement experience, so the main thing is to have everyone look at their jobs and their tools that they're using and evaluate them." In connection to the overarching theme, Keith provided a statistic that "87% of transactions that happen to an employee's record affect payroll in some way." So, essentially employee information flows through payroll like Water.

His presentation reminded me of my own challenges that I've had in the past with changes and updates in the software I use for payroll, as well as changes to come. This happened to tie in perfectly with the next presentation. Hope Williams, CPP took the stage once again to connect the idea of change in a company to **Wind**. Hope wanted her audience to understand that all changes, whether they are small or big, need to be analyzed from the standpoint of "who it is going to affect, what's it going to cost, and how do we go about presenting the case to upper management." When asked about how this relates to her assigned element she said, "I look at change as things that blow us around in payroll. It can be a **gentle breeze** which is a good thing or not a major thing, it can be a **gust of wind** that comes along suddenly, or it can have a major impact like a **windstorm**." Hope equates mergers and acquisitions to hurricanes since you know everything will be different afterwards.

After multiple impressive presentations, I was tired and probably could have used a sugary snack, but I knew that the energy of the next speaker, Levi Meeske, CPP would probably be enough to keep me alert for the final stretch. I was correct. Levi had the task of "Bringing it All Together," and explaining how the different elements relate to each other and payroll as a whole. He did just that with a level of enthusiasm and passion that made me excited about payroll, my new certification, and future certifications. He encouraged those in the audience who were not certified to consider it while sharing information about his own exam preparation. While the topics that were discussed such as the dreaded **Employee vs. Contractor** decision, customer service as a payroll professional, and document retention would ordinarily make me cringe after weeks of reviewing similar material for my exam, the way that Levi presented it seemed fresh and new, to the point that I was intrigued. And once again, humorous stories from his experiences during almost 17 years working in payroll made the presentation fun and relatable. At one point, Levi stated, "**I don't always love my job, but I love payroll!**" His love for payroll shows. He could tell that his message was well received by his audience, and when I asked him why he enjoys events like Statewide his response was, "Payroll has rewarded me in many ways. I am thrilled to have an opportunity to share the knowledge that I have with others, to try to give back, to help others learn and to provide caution for mistakes that I have either made or encountered so that others will not have to."

Overall, the **2017 Georgia Statewide Payroll Conference** not only met my expectations (there was definitely a continental breakfast and a FULL day of presentations), but exceeded them by far. I was enlightened by the messages of the different speakers, excited to take that knowledge back to my own world of payroll, but more than anything impressed by how entertaining the experience was from start to finish. After speaking with a few fellow attendees, I believe the consensus was that the humor utilized by the speakers really helped make the day not only informative, but also enjoyable. The door prizes were plentiful, the theme was clever, and I went home excited about next year's conference, possibly in pursuit of a CPP certification by then. You never know.



## 36<sup>th</sup> Annual Congress

Registration is now open for Congress next year in National Harbor, MD May 15th – 19<sup>th</sup>, 2018. If you register by December 31st, 2017 you will save \$100.

## Year-End and 2018 is Just Around the Corner!

For free information, XpertHR has published an article with helpful tips and checklist for payroll year-end activities ([full article](#)). Please visit the [Atlanta Chapter of the American Payroll Association's Facebook Page](#) often to keep yourself up-to-date with the latest payroll information and information related to our chapter.

Disclaimer – information provided is for the benefit of the members of the Atlanta Chapter of the American Payroll Association. Our goal is to provide the most accurate and timely information available. If there is a discrepancy found, the original source will be responsible for that data.

## Meeting Speakers and Partnership

Do you have a vendor or contact that would be willing to speak at one of our meetings? Please speak with [CJ Easterling](#) to coordinate this. We welcome partnership from businesses and higher education institutions.

If interested in being a partner, please review our [partnership opportunities](#) page.

## We want to hear from you!!!

What would you like to see our chapter present at a future meeting? Click [here](#) to take our very brief survey.





**ATLANTA CHAPTER  
OF THE APA**

Meetings held the second  
Thursday of the month at  
Crowne Plaza Ravinia  
Hotel

4355 Ashford Dunwoody  
Road, Atlanta, GA 30346

**We're on the Web!**

*See us at:*

<http://apaatlantachapter.com/index.php>

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About Our Organization



We are a nonprofit organization centered on providing continuing education to payroll, accounting and human resource professionals. Along with education, we offer community service opportunities for all members.

We are an autonomous and independent Chapter of the American Payroll Association.

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