

May 2016 Monthly GLO Report

IRS Announces HSA Limits for 2017.

Maximum annual HSA contribution for self-only coverage = \$3,400 (\$3,350 in 2016)

Maximum annual HSA contribution for family coverage = \$6,750 (same in 2016)

Catch-up contributions for 55+ = \$1,000

<https://www.irs.gov/pub/irs-drop/rp-16-28.pdf>

ACA Update: IRS Reminds Employers of Approaching ACA Deadline is Paper: May 31 / E-file: June 30*

*If you file 250 or more Forms 1095-B or Forms 1095-C, you must electronically file them with the IRS

<https://www.irs.gov/affordable-care-act/employers/reminder-for-employers-and-providers-file-health-coverage-information-returns>

During the 2011 and 2014 Employer Symposiums, the staff from the federal Office of Child Support Enforcement (OCSE), states, and employers discussed concerns about some states' interpretation of federal procedures to withhold when a noncustodial parent is paid weekly or biweekly. For employers that pay weekly or biweekly, some child support agencies are adding an amount due, in addition to the monthly amount ordered by a tribunal, to the Office of Management and Budget (OMB)-approved Income Withholding for Support (IWO) form. This causes confusion and leads to errors in withholding.

<http://www.acf.hhs.gov/programs/css/resource/correctly-withholding-child-support-from-weekly-and-biweekly-pay-cycles>

DOL Signs MOUs With Three More States to Fight Worker Misclassification. As part of its misclassification initiative, the Wage and Hour Division has signed memorandums of understanding with Arkansas, New Mexico, and Oregon to share information and coordinate enforcement efforts. There are now 29 states.

<https://www.dol.gov/whd/workers/Misclassification/index.htm>

Opportunity Still Available: Be an E-Verify Mobile App Tester

E-Verify employers, we need your help! There's still time to join the select group of E-Verify mobile app testers and tell us what you think. The new E-Verify mobile app lets you run your employee cases, just like you would on your desktop. All you need is a second or third generation iPad. Don't miss this opportunity, available for a limited time only. Email MobileE-Verify@uscis.dhs.gov today to learn more!

<https://www.uscis.gov/e-verify/about-program/whats-new>

IRS Data Affirms Payroll's Vital Role in Nation's Tax System. Two recent IRS publications provide statistics that underscore the importance of payroll professionals to the integrity of the tax system. The IRS reported that two-thirds of all federal revenue (\$2.2 trillion of the \$3.3 trillion collected) in FY 2015 came from employment taxes. 2015 IRS Data Book.

Atlanta, GA - 06/22/2016 Payroll Tax Forum
Atlanta, GA - July 11 - 13, 2016 - Global Payroll Management Certificate Program
Atlanta, GA - 08/11/2016 Garnishments Forum
35th Annual Congress-May 16-20, 2017 – Orlando, FL

New DOL FLSA Exempt Rules

The final rule will become effective on December 1, 2016, giving employers more than six months to prepare. The final rule does not make any changes to the duties test for executive, administrative and professional employees.

- Raise the salary threshold indicating eligibility from \$455/week to \$913 (\$47,476 per year), ensuring protections to 4.2 million workers.
- Automatically update the salary threshold every three years, based on wage growth over time, increasing predictability.
- Strengthen overtime protections for salaried workers already entitled to overtime.
- Provide greater clarity for workers and employers.

What can employers do:

- Change status from Exempt to Non-Exempt and pay 1.5 the RROP for overtime worked
- Raise the salary of Exempt employees to \$47,476 / \$913 per week
- Limit workers' hours to 40 per week
- Some combination of the above

The Final Rule focuses primarily on updating the salary and compensation levels needed for Executive, Administrative and Professional workers to be exempt.

Specifically, the Final Rule:

- Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South (\$913 per week; \$47,476 annually for a full-year worker);
- Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally (\$134,004); and
- Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption. Future automatic updates to those thresholds will occur every three years, beginning on January 1, 2020.

Additionally, the Final Rule amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the new standard salary level.

<https://www.dol.gov/featured/overtime>