

The 10 Payroll Rules That HR Professionals Should Know

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Topics

- 2018 Tax Changes
- Forms 2019 W4
- State of AK Unemployment Insurance Rates
- Direct Deposit Fraud
- Payment of Wages-Regular Rate of Pay
- Paying Employee Tax-Gross Up
- Deceased Wages
- 9 80's work schedule
- DOL payroll records
- W2 tip

2018 Tax Changes

TCJA

Tax Cuts & Jobs Act

✤Bicycle commuting

- Employee achievement Awards clarified
- Transportation fringe benefits
- Relocation benefits

2019 FormW4

Draft form & Instructions June 2018

Considering new types of compensation
 Considering a creative addition to your benefits
 Communicate constantly and consistently
 Focus on the customer-our employees
 IRS Check Up

State of AK UI Rates

Alaska UI rates are based on quarterly wage declines

 Artificially created quarterly declines
 Option forms
 http://www.labor.alaska.gov/estax/forms/toc_for ms.htm

Direct Deposit Fraud

- Email or employee self service
- Size of the employer
- Location of employees
- Direct deposit form
- Banking institutions
- Process and procedures
- ACH rules and timing

	Regular Rate of Pay										
In a ni	itshe	١ŀ									
mane	acone										
d	ifferent	tials, w		ficatio		ne includes pay for shif igher rates of pay and					
	\$12/hr										
	56 hours in 1 \$50 bonus fi										
	56	\$ 12.00	\$ 672.00 hrs x rate	40	\$ 12.00	\$ 480.00 hrs x st rate					
			\$ 50.00 + bonus								
			\$ 722.00	16	\$ 18.00	\$ 288.00 ot hrs x ot rate					
	\$ 722.00	56	\$ 12.89 regular rate			\$ 50.00 bonus					
	\$ 12.89	1.5	\$ 19.34 overtime rate								
	40	\$ 12.99	\$ 515.60 ST earnings								
			\$ 309.44 OT earnings								
			-								
	\$ 515.60	\$ 309.44	\$ 825.04 Total weekly earnings			\$ 818.00 Total weekly earnings					



Paying Employee Tax-Gross Up

- Pay an employee a specific net amount
- Pay the federal and FICA tax and deductions on behalf of an employee

	Desired Net	401K %	Fed	55	Med	SIT or SUI
Facts	1,500.00	5%	22%	0.062	0.0145	5.75%
Fed+SIT %(those taxes which are reduced by 40K)	27.75%					
% w/h excluded by 401 * 401K%	0.013875					
All ded-401K amount gross up % calc	39.01%					
100%-total % of withholdings	0.609875					
Gross-desired net divided by gross up % calc	2,459.52					
401K Ded	122.98					
Taxable Gross	2,336.54					
Fed	514.04					
55	152.49					
MED	35.66					
SIT or SUI	134.35					
Net	1,500.00					
Update the 3 items in yellow						
Keep SS in mind in the event the emp has maxed o	ut					

Deceased Wages

Wages paid in the year employee pases

W2 gross wages report in Box 3 & 5 1099-Misc gross amount to recipient recipient receives net of FICA tax

Wages paid in the year after the employee passes 1099-Misc gross amount to recipient No W2 wages

9/80 work schedule

Compressed schedule-Changing the workweek

✤Nine days in a two week period

Not more than 40 hours in a workweek

♦8-9 hour days 1-8 hour day

- 3 hour day is split into two 4 hour portions starting the
- work week
- Document the work week
- \clubsuit Submit "Flexible Work Hour Plan" to the State of Alaska

DOL WHD Record Keeping

- Payroll records are kept 3 years for the DOL (IRS is 4 years)
- Workweek
- Hours worked each day
- Total ours worked each workweek
- Basis on which employee is paid
- Regular hourly pay rate
- Total daily or weekly straight time earnings
- Total overtime earnings for the workweek
- Deductions from wages
- Wages paid by payperiod
- Date of payment and period paid

W2 tip

SSN name/number mismatch
Social Security Number Verification Service
SSN never issued
Name matches, DOB does not match
Name does not match, DOB not checked
SSN did not verify; other reason

SSN did not verify; other reason SSN matches but records indicate deceased

