

November 19, 2019

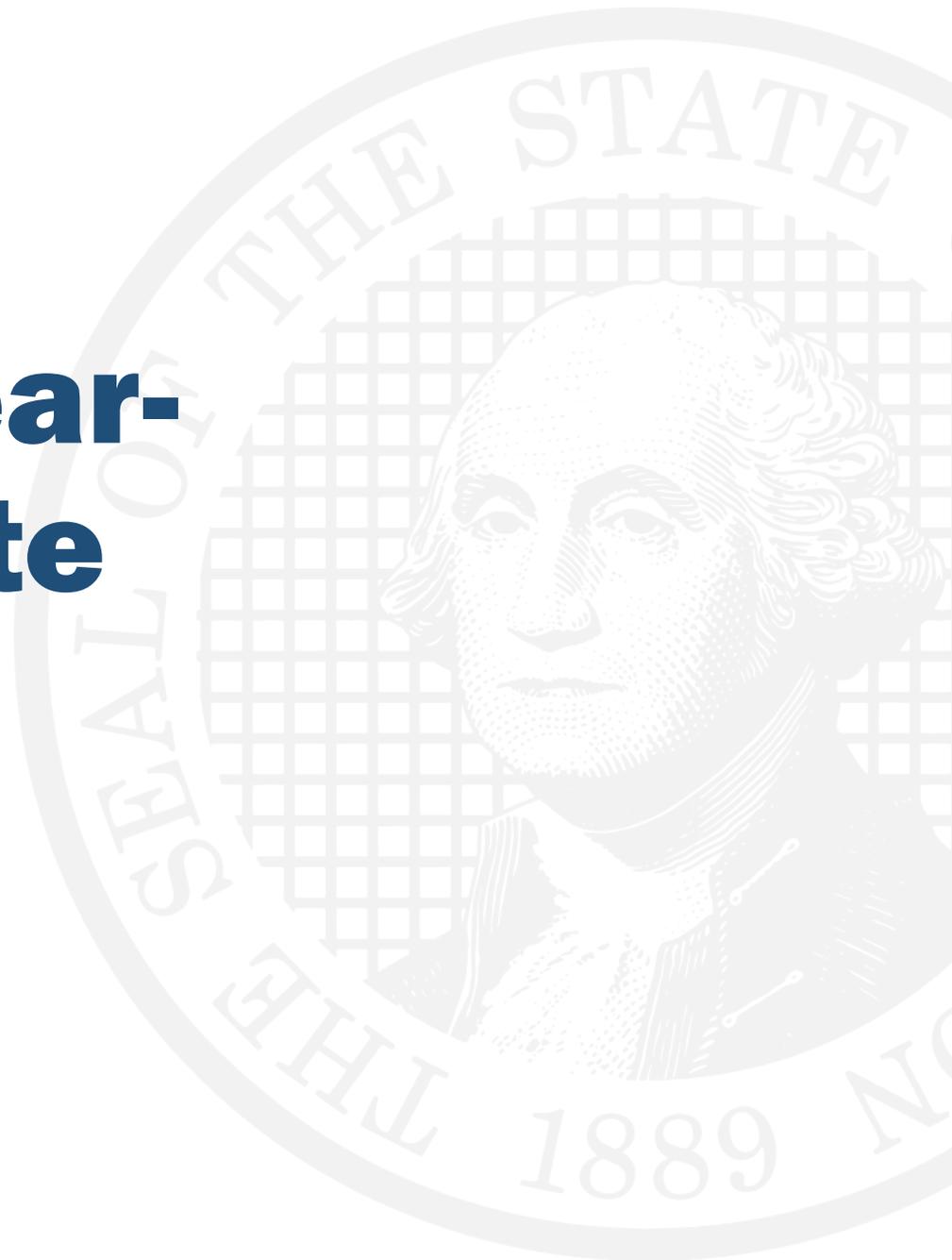
Payroll Year- End Update

Steve Nielson

Accounting Division

OFM

OFFICE OF FINANCIAL MANAGEMENT



Forms W-4, Beneficiaries, and SSA Records

Remind employees to submit amended Forms W-4 (if applicable), review beneficiaries, and verify SSA records

- The IRS suggests employees to file an amended W-4 if their filing status, allowances, or exempt status had changed.
 - No requirement to complete a new form if no changes.
- Year-end is a great time for employees to review their beneficiaries for life insurance, retirement, deferred comp, and Health Savings Accounts.
- Remind employees to contact the Social Security Administration if they have had an event that would create a change of record.

IRS Form Reconciliation

Reconcile IRS Forms

- Be sure that all forms 941/941X/W-2/W-2c are in balance.
- Doing so helps avoid penalties from the IRS or SSA.
- Helps ensure employee records are correct with the IRS and SSA.

EFTPS Payments Made Through OST

Times and Signatures

- JVs are due by 11:30am for the next day.
- OST must be notified by 11:00am for same-day wire transfers.
- Make sure that signatures on file with OST are current.

Rates and Limits for 2020

- Social Security Wage Base
 - \$132,900 in 2019
 - \$137,700 for 2020
- POV Mileage Rate
 - \$0.58 per mile max in 2019
 - _____ per mile max for 2020
- Qualified Transportation Benefits
 - Parking: \$265/month in 2019, \$270/month for 2020
 - Commuter: \$265/month in 2019, \$270/month for 2020

Rates and Limits for 2020 (continued)

- Deferred Comp
 - \$19,000 in 2019
 - \$19,500 for 2020
- Flexible Spending
 - \$2,650 in 2019
 - \$2,700 for 2020
- Health Savings Accounts
 - Individual: \$3,500 in 2019, \$3,550 in 2020
 - Family: \$7,000 in 2019, \$7,100 in 2020

Taxing the Value of Amazon.com Gift Cards

Active employees who have qualified for the gift card through SmartHealth

- The IRS requires the value of gift cards be taxed
- HRMS taxes the value each month
- Timing depends on when employee qualifies and accepts the terms

All Moving Expenses Are Taxable

Effective January 1, 2018

- Payments to employees or to vendors on behalf of employees are to be included as taxable income on IRS Form W-2 of affected employees.
- Refer to IRS Publication 15-B.

Paid Family and Medical Leave (PFML)

Premiums

- Non-represented started January 1, 2019
- Represented started July 1, 2019
- All agencies are participating
- Premiums are currently 0.4% (combined employee and employer)
- GL for use in Account 035: 5180
- Subobject for Employer Cost: BK
- Pay ESD the amount invoiced by ESD each quarter

Paid Family and Medical Leave (PFML) (continued)

Taking PFML

- Employees can begin January 1, 2020
- Watch for communications from OFM State HR

2020 IRS Form W-4

It's changing!

- Based on the 2018 Tax Cuts and Jobs Act
- Employees hired by your agency in 2020 must complete and submit the new form
- Current employees are not required to submit the new form
 - They can voluntarily submit
- Steps 1 and 5 are required
 - Step 1 = personal information and filing status
 - Step 5 = signature

2020 IRS Form W-4 (continued)

Employees may have questions

- More information can be found on the following IRS websites:
- About Form W-4: <https://www.irs.gov/forms-pubs/about-form-w-4>
- Publication 15-t (draft): <https://www.irs.gov/pub/irs-dft/p15t--dft.pdf>

Personnel/Payroll Association Meeting

But wait, there's more!

- This information, and more, will be covered at this week's meeting:
 - November 21, 2019
 - 9:00 – noon
 - Helen Sommers Building, G015 A, B, C

FOR MORE INFORMATION:

Steve Nielson

(360) 725-0226

steve.nielson@ofm.wa.gov

Thank you!

OFM

OFFICE OF FINANCIAL MANAGEMENT

