

Payroll Tax Forum Course Outline*

Legislative Actions

- Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act of 2010 (Health Care Reform)
 - Reporting health coverage cost on Form W-2
 - Reduced health FSA deferral limits
 - Medicare tax increase on high income earners
- Temporary Payroll Tax Cut Continuation Act of 2011
 - Extends 4.2% employee social security tax rate through February 29, 2012
 - No extension of expiring provisions
- Middle Class Tax Relief and Job Creation Act of 2012
 - Extends 4.2% employee social security rate through December 31, 2012
 - Makes changes to state UI programs
- Three Percent Withholding Repeal and Job Creation Act
 - Repeals requirement that large governments withhold 3% federal income tax from most payments
 - Enhances the Work Opportunity Tax Credit for hiring veterans
- Trade Adjustment Assistance Extension Act of 2011
 - Clarifies new hire reporting for rehired individuals
- Consolidated Appropriations Act, 2011
 - Expands E-Verify mandate to all federal new hires

2012 Legislative Agenda

- President Obama's FY 2013 budget proposals

Federal and State Unemployment Insurance Taxes

- 2011 FUTA credit reduction states
- Possible 2012 and 2013 FUTA credit reduction states
- Status of state unemployment insurance trust fund balances
- Legislative proposals to reform Federal Unemployment Taxes

Regulatory Actions and Agency Guidance

- OCSE's revision of the Income Withholding for Support order
- OCSE launches debt inquiry service for lump sum reporting
- IRS says employee use of business cell phones is not taxable
- IRS final regulations allowing proof of document delivery by private delivery service
- IRS final regulations on smallest employers' annual federal tax program
- IRS says third-party payers may be liable for the Trust Fund Recovery Penalty
- IRS guidance on adoption benefits
- IRS says value of guest's flight on employer-provided aircraft is taxable to employee
- IRS says penalties and interest in class action settlement may be subject to employment tax
- IRS guidance on Section 530 reasonable basis reliance
- IRS announces voluntary worker classification settlement program
 - DOL, IRS, states agree to improve coordination on employee misclassification compliance and education
- IRS explains new information reporting requirements for H-2A workers
- IRS lists common e-filing information return errors
- IRS proposes real-time tax system initiative
- DOL proposes updates to child labor regulations
- USCIS redesigns Employment Authorization Document and Certificate of Citizenship

Introduction to Expatriate Employee Taxation and Reporting

- Withholding and reporting for U.S. citizens and resident aliens working abroad
 - Federal income tax withholding
 - Social security and Medicare tax withholding
 - Federal unemployment tax
- Income exclusions

- Foreign earned income exclusion
 - Foreign housing cost exclusion
 - U.S. income tax treaties
- Employer tax reimbursement policies
 - State income tax issues

Court Decisions

- Supreme Court upholds Arizona's E-Verify law
- Supreme Court to determine constitutionality of Health Care Reform
- Employer pays the penalty for CFO's failure to comply with tax levy
- Justice Department settles document abuse case
- Federal court says severance payments were not FICA wages
- CEO was personally responsible for unpaid employment taxes
- SSA properly refused to identify employers receiving "no-match" letters
- FLSA minimum wage violations must be determined by the hour

Annual Adjustments

- Social security wage base
- Election workers - FICA threshold
- Domestic employees - FICA threshold
- Standard deduction and personal exemption
- Mileage rates
- Maximum "cents-per-mile" vehicle values
- Per diem rates
- Amounts exempt from levy
- Elective deferral and "catch-up" limits (401(k), 403(b) and 457(b))
- Qualified pension plan compensation limits
- Qualified pension plan contribution limits
- Definition of highly compensated employee
- Qualified parking, transit pass, and vanpool limits
- Health savings account limits
- Archer medical savings account limits
- Foreign earned income and housing cost exclusions
- State unemployment wage bases
- State disability wage bases and tax rates

Revisions to Forms, Publications, and Reporting

- Circular E (Publication 15), Pubs. 15-A and 15-B
- Form 940 and Schedule A
 - Schedule R
- Form 941
 - Schedule B
 - Schedule D
 - Schedule R
- Form 941-X
- Forms 945 and 945-A
- Form W-2
- Form W-3
- Forms W-2c and W-3c
- Form W-4
 - Special nonresident alien instructions
- Substitute forms requirements
- Electronic filing (W-2, Employment Tax e-file)
- SSA Online W-2/W-2c filing programs