

HIGHLIGHTS

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TAX ADVICE DISCLAIMER: Please be advised that, based on current Internal Revenue Service rules and standards, any federal tax advice contained in this communication, including attachments and enclosures, was not intended or written to be used, and it cannot be used, for the purpose of (1) avoiding any penalty that may be imposed by the Internal Revenue Service, or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. Note: The regulations set forth herein are as of this date and subject to change.

SUMMARY OF PAYROLL TAX RETURNS
(FEDERAL AND NEW JERSEY)
YEAR 2019

<u>FORM NO.</u>	<u>TITLE OF FORM</u>	<u>DUE DATE</u>
	<u>Quarterly</u>	
941	Employer's Quarterly Federal Tax Return	Last day of the month following the end of the quarter
940 Deposit	Federal Unemployment Insurance Tax Deposit (Reconciled on Annual Form 940)	Last day of the month following the end of the quarter
NJ-927	State of New Jersey Employer's Quarterly Report	30 th day of the month following the end of the quarter
NJ-927-W	State of New Jersey Employer's Quarterly Report (used when weekly EFT payments are required)	30 th day of the month following the end of the quarter. Must file online.
NJ-WR-30	State of New Jersey Employer Report of Wages Paid	30 th day of the month following the end of the quarter. Must file online.
	<u>Annually</u>	
940	Employer's Annual Federal Unemployment (FUTA) Tax Return	Last day of the month following the end of the year. (January 31 st)
943	Employer's Annual Tax Return for Agricultural Employees	Last day of the month following the end of the year. (January 31 st)
944	Employer's Annual Federal Tax Return (for taxpayers who owe \$1,000 or less in employment tax per year)	Last day of the month following the end of the year. (January 31 st)
945	Annual Return of Withheld Federal Income Tax	Last day of the month following the end of the year. (January 31 st)
W-2	Wage and Tax Statement	Distributed to employees by the last day of the month following the end of the year. (January 31 st)
W-3	Transmittal of Income and Tax Statements	Last day of the month following the end of the year. (January 31st)

Annually

NJ-W-3	State of New Jersey Gross Income Tax Reconciliation of Tax Withheld	Last day of the 2 nd month following the end of the year. (February 28 th) 30 th day of the month following the end of the year (January 30 th) Must file online. February 15 th (for employees claiming exempt)
NJ-927-H	Domestic Employer’s Annual Report	
W-4	Employee’s Withholding Allowance Certificate	

Monthly/Other

941 Deposit	Federal Payroll Tax Deposits - prepared weekly, monthly, or quarterly depending upon tax liability and remitted through EFTPS.
943 Deposit	Federal Payroll Tax Deposits for agricultural employers remitted through EFTPS. (See instructions for preparing 941 deposits).
NJ-500	Employer Reporting of New Jersey Gross Income Tax Withheld – Remitted online or by EFT monthly or weekly, if required depending upon tax liability, (See NJ-500 instructions)
I-9	Employment Eligibility Verification (See Form I-9 instructions) New Hire Reporting Form (See New Hire Reporting Instructions) Within 20 days of hire.
REG-C-L	NJ Request For Change of Registration Information - Prepared when address or your tax eligibility changes or to report alterations in your filing status. Can be filed online.

2019 PAYROLL TAX AND DEPOSIT REQUIREMENTS**I. Employer's Quarterly Federal Tax Return - Form 941**

Form 941 is a quarterly report due the last day of the month following the end of the quarter. This form reports gross wages and tips, federal withholding tax, Social Security tax, Medicare tax, record of tax liability and deposits for the quarter. Monthly depositors must complete the monthly summary of federal tax liability. Employers making deposits for each pay must check the box for semiweekly depositor and attach a completed Schedule B (Form 941). Form 941 can be obtained at www.irs.gov/Forms-&-Pubs. Corrections for this form are done on Form 941X which is filed separately from Form 941.

Federal Withholding Tax

Publication 15, otherwise known as "(Circular E), Employer's Tax Guide" contains federal withholding charts as well as other federal payroll tax information. The publication can be obtained online by putting "15" in the search box at www.irs.gov/forms-instructions.

- A. A withholding adjustment applies for figuring the amount of income tax to withhold from wages of nonresident alien employees performing services within the United States.** This procedure requires an additional amount to be added to wages before computing the withholding on wages of a nonresident alien employee. See Publication 15, "(Circular E), Employer's Tax Guide" and Publication 515, "Withholding of Tax on Nonresident Aliens and Foreign Entities" for more information. There are also special rules for employees hired under the H-2A Temporary Agricultural Program. For more information visit www.dol.gov/compliance/guide/taw.htm.
- B.** The procedures for withholding on "Supplemental" wages, such as bonuses, commissions, back pay, etc., vary based on the amount of the payment. For amounts under one million dollars, there are two options to compute federal withholding tax. The first is to add the amount of the supplemental payment to the regular wages for the period and compute the tax using the regular tables for that period. The second option is to withhold a flat percentage (last posted at 25%) from the supplemental payment disregarding the allowances claimed on federal Form W-4. If the total supplemental payments for the year are over one million dollars for the employee, the income tax is withheld at the highest tax rate, 39.6%.

Social Security and Medicare Taxes - F.I.C.A. Tax

Employers are required to withhold an additional Medicare Tax of .9% (.009) on wages or compensation it pays to an employee that makes in excess of \$200,000 in a calendar year. There is no employer match for this additional tax. The tax is withheld on only the wages in excess of \$200,000.

The employee withholding rate for Social Security tax and Medicare tax has remained unchanged. Both employee and employer tax rates will be 6.2% for wages paid in 2019. The Medicare tax rate remains at 1.45% for both the employer and the employee. The Social Security tax wage base for 2019 will increase to **\$132,900**, (\$128,400 in 2018). The base for Medicare tax is unlimited. The maximum amount that may be withheld from an employee's wages for 2019 for Social Security tax is **\$8,239.80**. The Medicare tax deduction is unlimited.

All federal tax deposits must be made through the Electronic Federal Tax Payment System (EFTPS). Taxpayers must enroll before they can make payments electronically. Register in the program by visiting the EFTPS website at www.eftps.gov or get an enrollment package by calling 1-800-555-4477. Payments must be initiated by 8 P.M. the day before the due date.

I. Employer's Quarterly Federal Tax Return - Form 941 (Continued)

Two payment methods can be used to make the electronic tax deposits.

Under the ACH Debit method, the depositor initiates payment by instructing the Treasury financial agent to withdraw funds from their bank account and route them to the Treasury's account at the Federal Reserve Bank either online at www.eftps.gov or via a telephone call. The financial agent will provide an acknowledgment number and assumes responsibility for the payment.

Under the ACH Credit method, the depositor instructs their bank to send a payment directly to the Treasury's account at the Federal Reserve Bank. Under this method, the taxpayer remains responsible for the payment until it has been credited to the Treasury's account at the Federal Reserve Bank.

Taxpayers can access up to 16 months of EFTPS payment history online or by telephone.

To make payments online, you must first receive an internet password. To obtain an internet password, you must have the enrollment number from the original document notifying you of the PIN number or have the banking information from the account on the original enrollment. The internet password can be obtained at the EFTPS website or by calling 1-800-982-3526. If you cannot locate your Confirmation or PIN letter, please call Customer Service at 1-800-555-8778.

NOTE: If you change bank accounts, you must get a new PIN by either calling 1-800-555-3453 or online at www.eftps.gov if you have an internet password.

1. Quarterly -

If at the end of a calendar quarter, the employer's total accumulated undeposited taxes for the quarter are less than \$2,500.00, no monthly deposits are required. The accumulated liability must be paid to the Internal Revenue Service by the end of the month following the close of the quarter. It may be paid with the return, Form 941, or made through EFTPS.

2. Monthly -

Monthly depositors are required to deposit federal income tax withheld and both employee and employer Social Security and Medicare taxes by the 15th day of the following month. Employers with \$50,000.00 or less in tax liability in the twelve-month period ending on June 30 of the preceding year are monthly depositors. New employers are also considered to be monthly depositors.

3. Semi-weekly -

Employers making deposits of more than \$50,000.00 during the twelve-month period ending on June 30 of the preceding year must make payroll tax deposits every time wages are paid but no more than twice a week. For paydays on Wednesday, Thursday or Friday, the deposit will be due by the Wednesday after the payday. For paydays on Saturday, Sunday, Monday or Tuesday, the deposit will be due by the following Friday. Employers paying once a week will make one deposit a week either by Wednesday or Friday according to when their paychecks are dated. All tax deposits must be made through the Electronic Federal Tax Payment System (EFTPS).

4. Liability over \$100,000.00 (One-Day Rule)

If the employer's total liability exceeds \$100,000.00, a deposit of the unpaid taxes must be made by the next banking day, whether an employer is a monthly or semi-weekly depositor. Monthly depositors are required to make semi-weekly deposits for the remainder of the calendar year and the next calendar year after being subject to the "One-Day Rule." There are provisions to make same-day tax payments if necessary. Ask your financial institution if it can execute a same-day federal tax wire payment and what fees and deadlines apply. Same-Day Wire Instructions can be found at www.eftps.gov when you select "Help & Information" and then "Downloads." Please be aware that while the instructions are available here, you must contact a financial institution to make a same-day payment.

NOTE: FAILURE TO MEET DEPOSITORY REQUIREMENTS WILL RESULT IN PENALTIES.

II. Employer's Annual Federal Unemployment (FUTA) Tax Return - Form 940

Form 940 reports employer's liability for federal unemployment tax and deposits made. Schedule A only needs to be filed if:

1. You paid unemployment taxes ("contributions") to more than one state;
2. You paid wages in a state that is a credit reduction state. For 2018 the Virgin Islands is the only reduction state. See Schedule A (Form 940) for instructions, www.irs.gov/pub/irs-pdf/f940sa.pdf.

The worksheet in the instructions should be completed if:

1. You did not pay these taxes by the due date of Form 940;
2. A portion of wages that were taxable for FUTA tax were not taxable for your state's unemployment tax.

The 2019 federal unemployment wage base will remain at **\$7,000.00** and the tax rate will remain at **.6%**. Every November, the Internal Revenue Service reviews each state's reserve; any state that has not repaid funds borrowed from the federal government to pay unemployment benefits are considered "credit reduction states" and employers in those states must pay a higher tax rate. Deposits are required if the accumulated liability is over **\$500.00** at the end of any calendar quarter. Deposits are due by the last day of the month following the end of the quarter. **NOTE:** FUTA tax is an employer tax only. It is not a tax levied on the employee.

III. Employer's Annual Federal Tax Return - Form 944

Form 944 is an annual employment tax filing for small employers that is due January 31st. It replaces Form 941, Employers Quarterly Federal Tax Return, for small employers that have received notification from the IRS that they should use Form 944. Only employers whose annual liability for Social Security, Medicare, and withheld federal income taxes are less than \$1,000 are eligible to use this form. If you believe that you will be eligible to file Form 944 for the year 2019, call the IRS by **April 1st** at 1-800-829-4933. If you were notified to file Form 944 but prefer to file Form 941, you can contact the IRS at the same number. Written requests must be postmarked by **March 15th**. You must receive written confirmation before you can change the form you file. Visit <http://www.irs.gov/instructions/i944/ch01.html> for more information.

IV. Minimum Wage

Federal minimum wage is \$7.25 per hour. Effective January 1, 2019 New Jersey's minimum wage increases to \$8.85 per hour. All New Jersey employers must pay the state minimum wage of \$8.85 per hour.

V. Beware of scams:

There are numerous email and telephone scams that claim to come from the IRS. There are scams that have been faxed to businesses asking for bank account information. The IRS does not send out unsolicited emails asking for personal information. Additionally, the IRS never asks people for the PIN numbers, passwords or similar secret access information for credit card, bank or other financial accounts. Visit the IRS website at www.irs.gov/newsroom/tax-scams-consumer-alerts to find out more information on the contents of some of the scams.

Beware of any solicitation by any non-government entity that indicates a fee is required. Contact this office to verify the validity of any requests for funds or financial information.

VI. New Jersey Quarterly Employer Report Forms

Starting January 1, 2019, the employee withholding rate for disability and FLI changed; see below for details.

Form NJ-927 (or NJ-927-W) combines the reporting of both New Jersey Unemployment and Disability Taxes. Family Leave Insurance and New Jersey Gross Income Taxes withheld. Form WR-30 reports employees' wage information. Go to www.state.nj.us/treasury/revenue/njbgs/services.shtml to file online.

Amended Forms NJ-927 are filed at the same website. Penalties of as much as \$10 per day are assessed on all returns not filed timely. Penalties of \$50 can even be imposed on "No Liability Reports."

1. New Jersey Employer's Quarterly Report - Forms NJ-927 (or NJ-927-W)

Effective January 1, 2019, the employee withholding rate decreases to .595% for Unemployment and Disability, and the Family Leave Insurance (FLI) rate decreases to .08%. The 2019 New Jersey unemployment, disability and FLI wage base is **\$34,400.00**. The maximum amount of New Jersey unemployment and Disability Taxes that may be withheld from an employee's wages is **\$204.68**. The maximum FLI that may be deducted is **\$27.52**. The tax, both employee withholding and employer tax, is reported and remitted along with New Jersey gross income tax on the Employer's Quarterly Report, Form NJ-927 (or NJ-927-W) that must be filed online. As of January 1, 2019 the total rate for new employers is .03975, including .033 for the employer and the employee's portion of .00595, detailed as follows:

EMPLOYER				EMPLOYEE				
Unemployment	Disability	Workforce Development	FLI	Unemployment	Disability	Workforce Development	FLI	Grand Total
.026825	.005000	.001175	.000000	.003825	.001700	.000425	.00080	.03975

Note: If the correct amount of tax is not paid on Form NJ-927 or NJ-927-W, adjustments may be made on the first return filed after the error is discovered. Any overpayment of tax must be adjusted in a subsequent period of the same calendar year, or an application for refund must be filed. Excess taxes withheld from an employee's wages must be refunded and a written receipt must be obtained from the employee showing the date and amount of the repayment.

2. Employer's Report of Wages Paid - Form WR-30

Employers are required to report each employee's Social Security number, name, gross wage, and the number of "Base Weeks" worked. A "Base Week" is defined as the number of calendar weeks in which the employee earned, as wages, the base week minimum amount set by the New Jersey Department of Labor. The amount required to establish a base week for 2019 is **\$172.00**. In 2019 all quarters can have as many as 13 Base Weeks. If the employee has no Base Weeks, you must enter "0" in the Base Weeks column. Amended returns are filed online at the same site as the original return is filed.

To file WR-30's online, you must have the PIN number issued from the State of New Jersey or register for a Premier Business Services account at https://www16.state.nj.us/NJ_PREMIER_EBIZ/. The forms can also be filed through Secure File Transfer Protocol (SFTP). In this method of electronic filing, you upload the information for the WR-30 from a file that you create. Before filing via SFTP, you must first submit a "Request for Authorization to Report Form WR-30 Electronically." Visit the website at www.state.nj.us/treasury/revenue/magmedia.shtml to obtain the registration form and get record layout specifications. The form can be faxed to the Division and is usually processed within 24 hours. Questions can be emailed to info@revenue.state.nj.us.

VI. New Jersey Quarterly Employer Report Forms (Continued)

NOTE: Penalties are imposed on employers who fail to submit employee's Social Security numbers or number of Base Weeks. Penalties are \$5.00 for each omission (each employee) on the first offense; \$10.00 for each omission on the second offense; and \$25.00 for each omission on the third and subsequent offenses.

3. Family Leave Insurance (FLI)

For 2019, the rate of .08% (decreased from .09% in 2018) must be deducted from all employees' taxable wages (up to **\$34,400** in 2019). All employers must conspicuously display a poster detailing program information and employee rights to New Jersey Family Leave Insurance benefits. The poster can be downloaded from <https://www.nj.gov/labor/lwdhome/content/employerpacketforms.html>. Each employee must be given a written copy of the notice at the time of hire; whenever an employee notifies you that they are taking time off to bond with a newborn or newly adopted child or to care for a seriously ill family member; or any time, upon request.

4. Domestic Employees

Employers of domestic workers (household employees) are required to file reports annually if their total remuneration is \$1,000 or more per quarter. Forms WR-30 for each of the four quarters and Form NJ-927-H are due by January 30th. Returns must be filed online.

5. Notice of Employer Contribution Rates

The State of New Jersey mails out the Notice of Employer Contribution Rates that is usually received sometime in July each year. It is uncertain if they will continue to mail the notice in the future. In order to get your employer unemployment and disability rates, you can access it through the Employer Accounts Website through the use of a TWES (Tax Web Enabled System) account. To establish your TWES account, set up your New Jersey Portal account at <https://my.state.nj.us/openam/UI/Login> then go to the TWES Application. After creation of your account, you can access your contribution rates as well as review unemployment payment history and account status. If you have any questions, please call this office.

VII. New Jersey Gross Income Tax (Withholding and Remittance)

New Jersey tax payments can be made online at <http://DOREFT.STATE.NJ.US>. Payments can also be made at www.state.nj.us/treasury/revenue/njbgs/services.shtml.

New Jersey Gross Income tax tables for use in determining proper withholding from wages can be found online at <http://www.state.nj.us/treasury/taxation/njit30.shtml>. Monthly or weekly reporting of Gross Income Tax withheld must be remitted online or through the EFT system.

The State of New Jersey's threshold for enrollment in the Electronic Funds Transfer program is \$10,000 in any one single tax for a year. Any employer with a prior year liability of \$10,000 or more of Gross Income Tax withholding will be a "weekly payer." Weekly payers must electronically remit, via the Electronic Funds Transfer (EFT) program, all New Jersey income tax withholdings. Any employer can register for the EFT program. For further information, you may call (609) 292-9292 then take option 6. Once you are enrolled in the Electronic Funds Transfer program, all New Jersey Division of Taxation liabilities must be paid through the EFT program online. The other taxes include but are not limited to Sales Tax and Corporation Business Tax. EFT transactions made after 5:30 p.m. are considered to have taken place on the following day; therefore, a debit date for the following day will not be permitted for a transaction initiated after 5:30 p.m.

NOTE: You must notify the State if you change bank accounts - call 609-292-9292 or do an Online Registration Change (Reg-C) at www.state.nj.us/treasury/revenue/njbgs/services.shtml.

VII. New Jersey Gross Income Tax (Withholding and Remittance) (Continued)**Remittance Requirements:**

- Quarterly: If your withholding tax liability is less than \$500 per month in a calendar quarter, payment can be remitted when filing Form NJ-927 (or NJ-927-W). A NJ-927 is required to be filed even if there is no liability for the quarter.
- Monthly: If your withholding tax liability is equal to or greater than \$500 in a calendar month, a monthly remittance is required, due by the 15th of the following month. If the month is a quarter-end month (March, June, September, or December), the payment can be submitted when the Form NJ-927 is filed (due the 30th of the following month).
- Weekly: If your withholding tax liability in a preceding year was equal to or greater than **\$10,000**, you must remit the liability through the EFT program each time you pay wages. For the purpose of the EFT payments, the tax period end date is the end of the quarter, either, March 31, June 30, September 30 or December 31. Form NJ-927-W must be filed online quarterly.

- NOTE: (1) **Seasonal** employers follow the same payment and filing requirements listed above.
- (2) **Domestic** (household) employees are not required to have NJGIT withheld unless they are voluntarily having federal income taxes withheld from their wages and the return, Form NJ-927-H, is due annually on January 30th following the end of the year.
- (3) The New Jersey Division of Taxation imposes a **\$100 per month** late filing penalty in addition to the late filing penalty of 5% per month of the underpayment and, where applicable, the 5% late payment penalty, the cost of collection fee and the Referral Cost Recovery Fee in the amount of 10% of the amount referred.

Pennsylvania Residents Employed in New Jersey

New Jersey employers who have employees residing in Pennsylvania should be aware that those employees are not subject to New Jersey income tax on earnings, but employers are required to withhold NJ GIT unless they receive a completed Employee's Certificate of Non-residence in New Jersey, Form NJ-165. Under the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement, a New Jersey employer is not permitted to withhold New Jersey income tax from wages paid to its Pennsylvania resident employees who file Form NJ-165 with their employer. To obtain a copy of this form, visit www.state.nj.us/treasury/taxation/njit25.shtml. The reverse holds true for Pennsylvania employers with New Jersey resident employees. The employee must complete a Pennsylvania Form REV-419 available online at www.state.nj.us/treasury/taxation/njit25.shtml.

VIII. Wage and Tax Statement**1. Form W-2**

Forms W-2 must be distributed to employees **and be filed with SSA by January 31st** of each year. If you are filing 250 or more Forms W-2, they must be filed electronically via Social Security's Business Services Online (BSO). You are encouraged to file electronically even if you are filing fewer than 250 Forms W-2. W-2 Online allows you to create "fill-in" versions of Forms W-2 to file with the SSA and to print copies of the forms for your employees. More information can be obtained by visiting <http://www.socialsecurity.gov/employer> where you can register for a PIN and password. If you have general questions on filing these forms, call the Internal Revenue Service at 1-866-455-7438. If you have questions about electronic filing of Forms W-2, contact the Social Security Administration at 1-800-772-6270.

VIII. Wage and Tax Statement (Continued)

The Social Security Administration requires the employees' names (first, middle initial, last) to appear on Forms W-2 the same as on their Social Security cards. The Social Security Administration offers free verification services to make sure the employees' names and numbers match their records. The Social Security Number Verification Service (SSNVS) allows you to go online to verify up to 10 numbers or to upload a file with up to 250,000 employees. To access the online services and to register, visit the Social Security Number Verification Service website at www.socialsecurity.gov/employer/ssnv.htm. You must register before using these services. SSNVS can only be used after an employee is hired and only for wage reporting purposes.

Titles and suffixes, such as Esq., Dr., Mr., Mrs., MD, PHD, etc., should not be used. The SSA prefers that nothing be entered in the "Suff." on Copy A, but "Jr." or "Sr." can be entered in the "Suff." box only if it appears on their social security card.

All dollar entries on Form W-2 are made without the dollar sign and comma, but with the decimal point (0000.00).

New Jersey unemployment/workforce development/healthcare subsidy, disability and FLI taxes withheld must be listed as three separate numbers and the employer's New Jersey Identification Number, as it appears on Form NJ-927, should also be on Form W-2.

The employer is required to keep for four years any employee copies of Forms W-2 that could not be delivered.

Employers filing a final Form 941 are required to furnish Forms W-2 to employees by the due date of the final Form 941.

Employers of household employees must submit a Form W-2 for each domestic employee earning \$2,000 or more in the year 2018, \$2,100 in 2019.

If an employee has applied for a Social Security number but has not received it in time for filing Forms W-2, enter "Applied For" in Box a. For electronic filers, enter all zeros in the field for the Social Security number.

The Internal Revenue Service is continuing to demand correct information on W-2's. Failure to file correct information returns by the due date can result in fines up to \$270 per incorrect form. Failure to file correct W-2 forms due to the intentional disregard of the correct information requirements will result in a penalty of at least \$540 per W-2 Form. **If you fail to furnish your employees with correct W-2 Forms by January 31st, you could be subject to a \$270 per form penalty no matter when the correct statement is furnished.** Retain any undeliverable W-2 Forms in the original envelope showing the postmark date for at least four years after the due date.

Businesses can sign up for the free electronic newsletter from SSA "W-2 News" online at www.socialsecurity.gov/employer/w2news.

NOTE: New Jersey requires employers to notify certain employees of the availability of the federal and New Jersey earned income tax credits at the same time Form W-2 is distributed. Only the employees who the employer knows or reasonably believes may be eligible for the credits should receive the statement. The written notification must use the statement developed by the State Treasurer. Information can be obtained by online at www.state.nj.us/treasury/taxation/eitcnotice.shtml. Make sure you use the Statement Regarding Eligibility for Federal and New Jersey Earned Income Tax Credits for your employees and not the Notice to Employers.

VIII. Wage and Tax Statement (Continued)**2. Taxable Fringe Benefits**

Some benefits must be added to the wages on Form W-2. For rules on valuing and taxing various benefits, see Employer's Tax Guide to Fringe Benefits, Publication 15-B, which can be downloaded from the IRS website at apps.irs.gov/app/picklist/list/formsPublications.html. Another reference to determine what should be included in wages is Employer's Supplemental Tax Guide, Publication 15-A, that can be obtained at the same site. Some of the potentially taxable benefits include; personal use of company auto; third-party sick pay; awards, prizes and bonuses; life insurance over \$50,000; moving expenses and dependent care.

3. Group Health Plan Reporting Requirements

Employers with 250 or more W-2 forms must report the cost of coverage under an employer-sponsored group health plan to each employee on Form W-2. Employers must report the total cost of health care coverage in box 12 of each individual Form W-2. This includes coverage paid for by both the employer and employee. The amount will not be included in taxable wages in boxes 1, 3 and 5; it is for informational purposes only.

For certain employers, including employers filing fewer than 250 Forms W-2 for the previous calendar year, the requirement to report the value of coverage will not apply for the 2018 Forms W-2 and will not apply for future calendar years until the IRS publishes guidance giving at least six months of advance notice of any change to the transition relief.

For more information visit www.irs.gov/affordable-care-act/employers/aca-information-center-for-applicable-large-employers-ales.

IX. Transmittal of Income and Tax Statements - Form W-3

Form W-3 is used to submit Copy A of Form W-2 to the Social Security Administration. **The 2018 form must be filed on or before January 31, 2019.**

Employers filing a final Form 941 are also required to submit Form W-3 and Copy A of Forms W-2 to the Social Security Administration within two months after the end of the quarter.

Employers with 250 or more Forms W-2 must file electronically. **The due date for electronically filed forms is now January 31 of each year.**

X. State of New Jersey Gross Income Tax Reconciliation of Tax Withheld - Form NJ-W-3

Form NJ-W-3 is used to submit Copy 1 of Form W-2 to the State of New Jersey. A total listing of tax amounts withheld (adding machine tape, etc.) as shown on Form W-2 must also be enclosed. The 2018 form is due February 28, 2019.

If a business closes, the NJ-W-3 along with the State copies of the W-2's are required to be filed within 30 days after the end of the month in which business closed or payments of wages ceased. Form NJ-W-3 can now be filed electronically through the state's Axway site. You must register to use this service. For more information visit:

www.state.nj.us/treasury/taxation/prntempl.shtml

XI. Employee’s Withholding Allowance Certificate - Form W-4, NJ-W4

The 2019 Form W-4 will be similar to the 2018 form, but the form should be completely revised for 2020.

If an employee experiences a change of status on or before April 30, 2019 that reduces the number of withholding allowances to which he or she is entitled, and if that change is solely due to the changes made by the Tax Cuts and Jobs Act (TCJA), the employee generally must furnish a new Form W-4 to the employer by May 10, 2019. However, if an employee no longer reasonably expects to be entitled to a claimed number of allowances due to a change in personal circumstances that is not solely related to the TCJA changes, the employee must furnish his or her employer a new form W-4 within 10 days after the change. For instance, if an employee claims married filing status on Form W-4 but divorces his or her spouse, the employee must furnish the employer a new form W-4 within 10 days after the change.

Employers are not required to routinely submit a copy of Form W-4 to the IRS for either the number of allowances claimed or for those claiming exempt. The Internal Revenue Service may direct you to submit copies of Form W-4 for certain employees. The form can be downloaded at <http://www.irs.gov/Forms-&Pubs>. Employers must request new employees to file Form W-4 on or before the date they begin working. If new employees do not give you a completed Form W-4, withhold income tax as if they are single, with no withholding allowances.

Advise any employee who doesn't have a Social Security number that they are required to apply for a Social Security card and number. Valid Social Security numbers do not start with the number **9**, if you have an employee using an invalid number, request that he obtain a valid Social Security number. If a worker has applied for but has not yet received a Social Security number you should get their full name, address, date of birth, place of birth, father's full name, mother's full maiden name, gender and the date he or she applied for a Social Security number.

Existing employees should be encouraged to file updated Withholding Certificates before December 1st of each year to be effective for the next calendar year in the event of change in the employee's exemption status since the filing of the latest Form W-4.

Request a new Form W-4 from employees who claimed exemption from income tax withholding in the prior year by February 15th. If a new form is not received by that date, start withholding federal income tax based on an earlier Form W-4 received by that employee. If no prior W-4 was completed, withhold based on single with zero withholding allowances until a new form is received.

Any unauthorized change or addition to a Form W-4 makes it invalid. This includes taking out the language by which the employee certifies that the form is correct.

An employer should not knowingly use an invalid Form W-4 to calculate withholding. The employer should tell the employee it is invalid and ask for another one. If the employee does not provide a valid form, the employer should withhold based on a previously filed valid W-4. If no valid form was received, withhold based on single with zero dependents.

New Jersey employers are required to furnish the Form NJ-W4, Employee's Withholding Allowance Certificate, to employees to calculate their New Jersey withholding exemptions; however, employees are not required to use it. Visit www.state.nj.us/treasury/taxation/njit29.shtml to print the form.

For assistance in completing Form W-4, employees may use the IRS Withholding Calculator online at www.irs.gov/individuals/irs-withholding-calculator.

A Spanish version, Form W-4(SP) is available and can be used in place of Form W-4.

NOTE: The IRS may issue a "lock-in" letter that specifies the maximum number of withholding allowances permitted for an employee. Any employer who does not follow the lock-in instructions will be liable for paying the additional amount of tax that should have been withheld. For more information, go to <https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Withholding-Compliance-Questions-and-Answers>.

XII. Employment Eligibility Verification - Form I-9

All employers are required to have a completed Form I-9 for everyone hired after November 6, 1986. Form I-9 verifies that persons are eligible to work in the United States. You cannot employ anyone who has not completed this form.

Failure to properly complete and retain Form I-9 can result in penalties being assessed.

XII. Employment Eligibility Verification - Form I-9 (Continued)

The employee must complete section 1 of the form on the day they are hired. The employer must fully complete Section 2 within three business days of the date employment begins.

Form I-9 must be retained for three years after the date employment begins or for one year after the person's employment is terminated, whichever is later.

A blank Form I-9 may be photocopied, provided both sides are copied and instructions are available. Currently, only forms showing the revision date “Rev. 08/31/2019” are valid and should be used. Forms can be obtained by calling 1-888-464-4218 or downloaded from the US Citizenship and Immigration Services website at <http://www.uscis.gov/portal/site/uscis/>.

XIII. New Hire Reporting

All new employees must complete Form W-4 and Form I-9; employers must also complete a portion of the I-9 form. In addition, all employers in New Jersey are required to submit New Hire Reports every 15 days if reporting through electronic media or within 20 days of hiring if reporting any other way. All newly hired or rehired employees must be reported regardless of the number of hours or the number of days they will work. Employers must also report any employees that have had a gap in pay, and then return to work, including teachers and seasonal workers. The Federal government requires all 50 states to have New Hire Reporting laws. New Jersey state law requires that independent contractors transacting business in New Jersey also be reported as new hires. The report must include the employer's Federal Identification Number, company name and address, employee's name, address, Social Security number, date of birth and date of hire. The State of New Jersey New Hire Reporting Form is available upon request but does not have to be used. A copy of the employee's Form W-4 may be used for reporting purposes; just complete the employer information on the bottom and include the employee's birth date and date of hire. For more information visit <https://nj-newhire.com/>. New hires can be reported at the same site. An electronic file can be submitted by Secure Web transfer at the website or through File Transfer Protocol (FTP). Specifications for the file submission layout can be obtained online. The New Hire Operations Center may be contacted by telephone at 1-877-NJ-HIRES (877) 654-4737, or through their website. Forms may be faxed to 1-800-304-4901 or mailed to:

New Jersey New Hire Directory
P.O. Box 4654
Trenton, NJ 08650-4654

NOTE: This is a mandatory requirement; failure to comply can result in fines up to \$25 per employee and, if there has been a conspiracy, the penalty can be up to \$500.

State law requires independent contractors doing business in New Jersey be reported as new hires.

XIV. Affordable Care Act-Employer Requirements and Provisions

1. Employer Reporting-Applicable Large Employers (ALE's)

Section 6056 of the Internal Revenue Code requires applicable large employers (or ALE's) to provide health insurance coverage to its employees and file annual information returns with the IRS. The code defines ALE as an employer that **employs an average of 50 full-time employees during the preceding calendar year**. For purposes of the Affordable Care Act, **full-time employees include:**

- 1) Any employee who was employed on average at least 30 or more hours per week.
- 2) Any full-time equivalent employees. For example, 40 full-time employees employed 30 or more hours per week on average plus 20 employees employed 15 hours per week on average are equivalent to 50 full time employees.

XIV. Affordable Care Act-Employer Requirements and Provisions (Continued)

3) Seasonal workers are typically exempt from being considered full-time employees (or full-time employee equivalents) under the Affordable Care Act. If an employer exceeds 50 full-time employees or equivalents over a period of 120 days or less, then any employee performing seasonal labor is not included in the count of full-time employees. ****If the employer retains any seasonal employee after 120 days and also has more than 50 full-time employees during the month following the 120 day period, then the seasonal worker exemption does not apply.****

For more information regarding what is an applicable large employer, visit:

www.irs.gov/affordable-care-act/employers/aca-information-center-for-applicable-large-employers-ales

2. Determining Applicable Large Employer (ALE) Status

The number of average full-time employees must be calculated in order to determine if an employer is required to offer health insurance to its employees in a subsequent year. For information on how to identify the number of full-time employees, visit:

<http://www.irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act#Identification>

3. Employer Reporting Requirements

Continuing for 2018, information returns for health insurance coverage must be filed by each employer and furnished to each employee for whom the reporting requirement applies.

A) For ALE's:

In general, ALE's are required to file Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, with the IRS and furnish employee statement Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, to each full-time employee employed during the year. **Because ALE's are required to report whether an offer for health insurance was made to each full-time employee, a Form 1095-C must be filed for any and all full-time employees, even if no health coverage was offered to such employees.** While ALE's that sponsor insured plans will have to complete Parts I and II of these forms, self-insured employers must also report covered workers under Part III on Form 1095-C.

B) For Non-ALE's:

While employers that employed fewer than 50 full-time employees (including any full-time equivalents) are typically not required to report health insurance coverage information to the IRS, an exception to this rule exists for Non-ALE's that sponsor self-insured health insurance plans. Small employers that offer self-insured plans must file Form 1094-B, Transmittal of Health Coverage Information Returns, and furnish employee statement Form 1095-B, Health Coverage, to each full-time employee.

Reporting Requirements	ALE* Sponsoring an Insured Plan	ALE* Sponsoring a Self-Insured Plan	Non-ALE's*	Non-ALE's* Sponsoring a Self-Insured Plan
Form 1094-C	X	X		
Form 1095-C, Parts I and II (per employee)	X	X		
Form 1095-C, Part III (per employee)		X		
Form 1094-B				X
Form 1095-B (per employee)				X

* ALE = Applicable Large Employer

XIV. Affordable Care Act-Employer Requirements and Provisions (Continued)

Forms 1095-C (or 1095-B) are to be furnished to each full-time employee on or before January 31 of the following calendar year in which the insurance coverage applies. The first Forms 1094-C (1094-B) and 1095-C (1095-B) must be filed with the IRS no later than February 28, 2019 if filed electronically. ALE's filing 250 or more Forms 1095-C or Forms 1095-B must file the forms electronically.

For more information on employer reporting requirements, visit:

<http://www.irs.gov/uac/Questions-and-Answers-on-Information-Reporting-by-Health-Coverage-Providers-Section-6055#How%20and%20When%20to%20Report%20the%20Required%20Information>

5. Employer Shared Responsibility Payment

An ALE may be liable for the Employer Shared Responsibility payment if the employer does not offer health coverage or offers inadequate health coverage (covers less than 60% of total allowed cost of benefits) to fewer than 95% of full-time employees and their dependents. For more information regarding liability for the Employer Shared Responsibility payment, visit:

<http://www.irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act#Liability>

For details on calculating the Employer Shared Responsibility payment, visit:

<http://www.irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act#Calculation>

XV. Form BC-10

Employers are required to give a copy of Form BC-10 to each employee separated from his employ, showing the employer's name, address and Registration Number. These forms can be obtained online at http://lwd.dol.state.nj.us/labor/forms_pdfs/ui/BC10.pdf or from the local Unemployment Office.

XVI. Annual Return of Withheld Federal Income Tax - Form 945

Form 945 is used to report income tax withheld from non-payroll payments. These payments include pensions, annuities, IRA's, military retirement, gambling winnings, Indian gaming profits and backup withholding. As a general rule, all income tax withholding reported on Forms 1099 or Forms W-2G must be reported on Form 945. Separate deposits must be made for non-payroll (Form 945) income tax withholding. Do not combine deposits for Form 941 and Form 945 tax liabilities. The rules for depositing Form 945 taxes are the same as for 941 tax liabilities.

XVII. Wage Limits for Social Security Benefits

Anyone over the full retirement age is allowed unlimited earnings without any loss of benefits. The full retirement age for workers born between 1943 and 1954, is 66 and for workers born beginning in 1955, 66 and 2 months, for people born in 1960 and later full retirement age is 67. For workers born prior to 1938, the full retirement age is 65. For a person under the full retirement age, the annual exempt amount is \$17,640.00 in 2019 (\$1,470 per month for first year of retirement).

XVIII. Household Employers

Household employers are required to report all federal taxes due for domestic employees on Schedule H of Form 1040. If you pay your household employee wages of \$2,000 in the year 2018 or \$2,100 in 2019, all wages paid to that employee are taxable for Social Security and Medicare and a Form W-2 must be issued. Wages paid to an employee who has less than \$2,000 in the year 2018 or 2019 are not included as Social Security and Medicare wages, but are included in FUTA taxable wages if you are liable. If you pay wages to all domestic employees totaling \$1,000.00 or more in any calendar quarter in the year or preceding year, the first \$7,000.00 paid to each employee is taxable for FUTA. If total wages are \$1,000.00 or more in any quarter, Form WR-30 (one for each quarter) and Form NJ-927H must be filed online annually by January 30th to report New Jersey unemployment (and withholding taxes, if any). If a household employer is not otherwise required to file Form 1040, Schedule H may be filed as a separate return.

XIX. 401(k) Plan Limit

The maximum amount that an employee can elect to defer for the year 2019 under a 401(k) plan in which they participated is limited to \$19,000 up from \$18,500 for 2018. However, there is a catch-up provision where individuals who are 50 or over at the end of the year can make additional catch-up deferrals up to \$6,000, in both 2018 and 2019. The maximum deferral for a simple 401(k) plan for 2019 is \$13,000 up from \$12,500 in 2018 and the catch-up contribution can be up to \$3,000 for the year 2018 and 2019. The maximum deferral for a simple IRA is the same as for a simple 401(k) - \$13,000 for 2019 and \$12,500 for 2018 and \$3,000 for the catch-up contribution.

XX. National Medical Support Notice

If one of your employees has child support obligations, a State Child Support Enforcement Agency (CSEA) may send you a National Medical Support Notice (NMSN). It is a standardized form that advises you when your employee has been ordered to provide health insurance coverage for his or her child through your company's health care plan. NMSN is a federal form that all state child support enforcement agencies must use. Once an order to provide medical coverage has been established and health care coverage is available through the employer, the Plan Administrator must enroll the child. Just send Part B to your plan administrator. Even if you do not provide health insurance or if certain other conditions exist, you must complete the "Employer Response" section. Detailed instructions as to the steps that an employer must take are available at the Office of Child Support Enforcement's Website at www.acf.hhs.gov/css/employers/employer-responsibilities/medical-support.

XXI. Use Tax

If you purchase goods or services that are taxable for New Jersey sales tax from any vendor that does not charge the tax, you must submit the tax to the State of New Jersey. The use tax can be remitted with quarterly or monthly sales tax returns, or if you do not file sales tax returns, Form ST-18B should be filed before May 1st of each year.

XXII. Employment Posters

Employers are required by law to display official Department Of Labor posters where employees can readily observe them. To obtain copies of the federal government posters required by your business, visit the website at www.dol.gov/elaws/posters.htm. The Poster Advisor is designed to help employers comply with the poster requirements of several laws administered by the Department of Labor (DOL). DOL provides the posters at no cost to employers. Every New Jersey employer with 50 or more employees must post the "Gender Equality Notice" in a conspicuous place. The notice must also be given to each new employee upon hiring. The notice and other posters required by the New Jersey Department of Labor can be obtained

XXII. Employment Posters (Continued)

online at www.nj.gov/labor/lwdhome/content/employerpacketforms.html. New Jersey Anti-Discrimination Posters can be obtained online at <http://www.njcivilrights.org/posters.html>. Employers are also required to post a Workers' Compensation notice, available through your insurance carrier. Penalties can be assessed for not complying with these requirements.

XXIII. Work Opportunity Credit

The Work Opportunity Credit has been extended for wages paid until December 31, 2019.

The credit for first year wages can be up to \$9,600 for certain target groups. Veterans with a service-connected disability that meet certain conditions are one group that qualifies. Credits are available for other veterans as well and are based on the length of time unemployed. Qualified Long-term Unemployment Recipients, for new hires that begin to work for an employer on or after January 1, 2016 through December 31, 2019 are another group. For a full list of the target groups and requirements visit the website. Employees must work a minimum number of hours depending on the target group in order for you to get a credit of either 25% credit or the full credit of 40%.

To claim the credit you must receive a certification for each employee from the State Employment Security Agency (SESA). Have the individual complete Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit (www.irs.gov/pub/irs-pdf/f8850.pdf), on or before the day you offer the individual a job. Form 8850 must be signed by the employer and submitted to the SESA by the 28th day after the individual begins work along with the required documentation. The state will send you a confirmation of the certification. Number of hours worked and total wages paid are required to compute the credit for certified employees. The credit is computed on Form 5884 and will be part of your tax return. For more information visit <http://www.irs.gov/uac/Form-5884,-Work-Opportunity-Credit-1>. Visit the US Department of Labor at www.doleta.gov/business/Incentives/opptax for forms and additional information. The address for the New Jersey SESA office is: New Jersey Department of Labor and Workforce Devement

WOTC Unit

PO Box 055, 7th Floor

Trenton, NJ 08625-0055

Phone: 609-292-5879, fax: 609-777-4768,

email: Debra.Larsen@dol.state.nj.us

XXIV. Employers with Employees Working in Pennsylvania

Employers are required to electronically file quarterly PA unemployment tax and wage reports through UCMS. The PA Department of Labor and Industry will no longer be mailing UC-2 and UC-2A forms. Go online at www.ww.uctax.pa.gov to register and for more information visit the PA Department of Labor & Industry website at <http://www.dli.state.pa.us>.

For Employers with employees living in PA, all payments of more than \$1,000 must be made electronically.

XXV. 1099 Reporting Requirements

Forms 1099 MISC should be issued for payments of at least \$600 for rents, services (including parts), awards and prizes. The due date for issuing them to the recipient is January 31st of each year and **if you are reporting amounts in Box 7, nonemployee compensation, the forms along with Form 1096 must be submitted to the IRS by January 31st of each year.** It is recommended that you obtain a completed Form W-9 for each 1099 that you issue to obtain the legal name, address and Taxpayer Identification Number to avoid notices and penalties for incorrect information reporting. Form W-9 can be downloaded at www.irs.gov/formspubs/index.html?portlet=103M.

XXVI. New Jersey Office of Taxpayer Advocate

The State of New Jersey now has the Office of Taxpayer Advocate (OTA) to help taxpayers who have tried to resolve tax problems using all available administrative options but have not been able to do so, or whose problem creates undue hardship. For contact information and guidelines to identify eligible cases visit www.state.nj.us/treasury/taxation/ota/otainfo.shtml.

XXVII. Websites

The following are some websites that may be helpful.

Internal Revenue Service	www.irs.gov
Internal Revenue Service-videos	www.youtube.com/irsvideos
Federal EFTPS	www.eftps.gov
Social Security Administration	www.ssa.gov/employer/
New Jersey Division of Taxation	www.state.nj.us/treasury/taxation
New Jersey Department of Labor	http://lwd.state.nj.us/labor
New Jersey Division of Revenue	www.state.nj.us/treasury/revenue
New Jersey New Hire Reporting	https://nj-newhire.com/
New Jersey EFT Tax Payments	www1.state.nj.us/TYTR_BusinessFilings/jsp/WebPmt/WebPmtLogin.jsp
NJ Office of Taxpayer Advocate	www.state.nj.us/treasury/taxation/ota/otainfo.shtml
Online filing of NJ-927 & WR-30	www.state.nj.us/treasury/revenue/njbgs/services.shtml
New Jersey Employment Posters	www.nj.gov/labor/lwdhome/content/employerpacketforms.html
Immigration and Naturalization Service	http://uscis.gov
I-9 Form	www.uscis.gov/i-9-central
Credit Card Tax Payments	www.officialpayments.com
U.S. DOL Wage & Hour	www.dol.gov/whd/index.htm
U.S. Dept of Labor-Posters	www.dol.gov/elaws/posters.htm
Work Opportunity Tax Credit	http://www.doleta.gov/business/Incentives/opptax/

Payrite Payroll Services, Inc., our payroll processing service, continues to provide excellent service in all areas of payroll processing. Donna Munden manages this payroll service. She has over thirty years of experience in this area and is extremely capable. We can meet all your payroll processing needs, from payroll checks and tax depositories, to quarterly and year-end tax reporting forms for both federal and all 50 states. In addition, a wide variety of payroll and payroll-related reports can be provided to simplify your record keeping and better manage your business. We welcome you to join our joint endeavor to provide rapid, quality, personal and confidential payroll services. Call us for further details and let **Payrite Payroll Services, Inc.** serve all your payroll processing needs.

If there are any questions concerning your payroll tax filing or depository requirements, contact this office immediately.