

Paychex 2021 Third Quarter PEO Employer Reference Guide



PAYCHEX[®]

HR | Payroll | Benefits | Insurance

COVID-19-Related Quarterly Filing

During the coronavirus (COVID-19) pandemic, we're sensitive to your challenge of focusing on your business as we support your tax filing and payment activities. We're closely monitoring the requirements of federal and state tax agencies under these circumstances.

Go to the [Professional Employer Organization \(PEO\) Clients](#) section of the [Paychex Tax Filing](#) site.

Overview

Paychex® is committed to helping you prepare and plan for quarter-end. Use this guide to help make sure you have a successful quarter-end. We value your business and look forward to helping you with your payroll processing needs.

Quarter-End Reporting Deadline

The deadline for reporting third quarter payroll information or changes to your payroll contact is **5:00 p.m. Thursday, September 30, 2021**, or before your first payroll with an October check date, whichever is earlier. If you need any adjustments after the deadline, please inform your payroll contact immediately. We can reprocess the tax returns after the deadline; however, **there will be an additional charge and a processing delay.**

Note: If you work with an accounting professional, please remind them to report payroll-related adjustments on or before the deadline.

Paychex SUI Service

We've worked on improving our Paychex SUI Service. As part of this effort, we enhanced our payroll SUI termination reasons to better align to industry standards so customization will no longer be an option. This will also better streamline the unemployment claims process.

In addition, it's important that you terminate your employees through payroll timely and keep your SUI contact information (such as phone number and email address) up to date.

Here are a few key pieces of information required to ensure an efficient unemployment claims process:

- First Day Worked = first day an employee physically worked (hire date and first day worked is not always the same)
- Last Day Worked = last day the employee physically worked (termination date and last day worked is not always the same)
- Job Title
- Reason for Separation from the drop-down list
- Rate of Pay

Payroll Processing Reminders

To ensure timely processing and receipt of your payroll:

- Report your payroll by noon (based on your time zone) no later than two business days before your check date. If the reporting period includes a bank holiday, we must receive your payroll three business days prior to the check date.
- When faxing information to us, please use the fax payroll cover sheet we have provided. If you do not have a copy of this form, notify your service specialist.



PEO Garnishments Process

As federal, state, and local laws and regulations become more complex, the consequences of errors are falling on employers. You can be penalized up to the full amount of employees' judgment debts (garnishments) for missed or improper calculations, missed or improper payments, or other errors in processing or responding to a wage garnishment order. Orders includes the following, but are not limited to:

- Child Support
- Student Loan
- Bankruptcy
- IRS (Federal Tax) Levy
- State Levy
- Writ
- Miscellanies Garnishments

If you have current garnishment orders, you must notify the respective agencies that:

- You have entered into a Professional Employer Organizational (PEO) agreement and the employees are no longer being paid under your Federal ID.
- The agency will now need to issue a new order to the PEO so the garnishments can be processed. The new garnishee should be listed as follows:

Paychex Business Solutions
Attn: Garnishment Department
970 Lake Carillon Drive, Suite 400
Saint Petersburg, FL 33716
Office: (800) 741-6277
Fax: (800) 668-7296
Email: pbs_garnishments@paychex.com

Earning Records and Payroll Reports

You can safely access your payroll reports and customized Employee Earnings Records for each employee at your convenience, using a customized date range, through our Paychex Online Reports Service. On the left navigation bar, click Analytics & Reporting, All Reports, Employee Earnings Record; to customize it to fit your needs, click the Create Report Options on the top right.

This report provides a wealth of information, including:

- Individual employee rates and salary history.
- Employment verification to help employees substantiate earnings within a period of time for mortgages and loans.
- Details about adjustments and amount information to reconcile deductions such as health insurance or retirement plan contributions.
- Wage information for completing workers' compensation, disability, and unemployment claims.

Let your service specialist know if you would like to sign up for online access to this report. Or we can provide you with a printed copy of your Employee Earnings Records through secure email.

Fast, Easy Administration of Employee Benefits

Health & Benefits Online from Paychex provides you and your employees convenient, 24/7 access to benefits information. Employers can review enrollment information, access benefit plan summaries, request reports, and much more. Employees can elect initial benefit coverage, add or modify benefit elections after qualifying events, and maintain dependent information. Contact the

benefits team at 800- 741-6277, option 4, or email peo_benefitsteam@paychex.com to set up your health and benefits online account.

Paychex Website

For forms and additional information, you can go to the Paychex PEO website at <https://online.paychex.com/smlogin/loginpaspbs.html>. You are required to enter your branch number (0741) and client number (XXXXXXXX). This information can be found in the upper left corner of your payroll reports. Use the Search function at the bottom of the page or select the Category and then scroll to the appropriate form to access it.

Supplemental Wages over \$1,000,000

Special rules apply if total supplemental wages paid to any employee exceed \$1,000,000 during the calendar year; the excess amount is subject to withholding at 37% for 2021 – regardless of any other withholding rules and the employee's Form W-4. If the supplemental wages you paid to an employee during the calendar year are less than or equal to \$1,000,000, follow the regular withholding rules for supplemental wages.

Reporting Taxable Adjustments for Separated Employees

Whenever possible, you should report taxable adjustments (for example, personal use of a company car or imputed value of group-term life insurance) with payroll. When you regularly report these adjustments, the required taxes are withheld from employee wages. If taxable adjustments are reported without wages, you may be liable for the employee portion of taxes.

- When employees leave the company (voluntarily or involuntarily), you need to report taxable adjustments with the employees' last check; otherwise, you may be liable for the employee portion of taxes.

If you pay any part of an employee’s income tax or FICA withholding, the amount paid must be reported as additional taxable wages for the employee. Additional employment taxes, both employee and employer portions, must be withheld on this added income.

If you cannot report taxable adjustments on an employee’s last check, discuss it with your service specialist. We can help.

Fair Labor Standards Act (FLSA) Reminder

Commissions, certain bonuses, and other types of compensation may need to be included when calculating the regular rate of pay for purposes of overtime pay under the FLSA and applicable state wage and hour laws. To include commissions, bonuses or other types of compensation into your overtime calculation, advise your service specialist. If you are uncertain whether to do so, consult your attorney or accountant.

State Unemployment Insurance (SUI) Rate

You should receive notification of your SUI tax rate for 2021 for the indicated states. We need this rate to calculate your SUI tax expense correctly. We do not automatically receive this information from the tax agency.

If you receive a SUI tax rate notice from one or more of the indicated states, write your client number on the notice and immediately fax it to 800-668-7296, or email a copy of the notice to your service specialist:

SUI Tax Rate Notice		
Alaska	Kansas	Ohio
Arkansas	Kentucky	Rhode Island
California	Maine	South Carolina
Connecticut	Michigan	South Dakota
Colorado	Minnesota	Tennessee
Delaware	Mississippi	Vermont
Illinois	Nebraska	Washington
Indiana	Nevada	Wyoming
Iowa	North Dakota	

Alaska

SUI

The Alaska Department of Labor and Workforce Development requires employee occupational codes and geographic codes to be entered on the Contribution Report Form TQ01C.

If these codes aren’t already on file, obtain both codes by referring to the Occupational Coding Manual at <http://live.laborstats.alaska.gov/erg/occmanual.pdf>. Report these codes to your payroll contact.

California

SUI/State Withholding

The California Employment Development Department requires that wages be reported on a separate Form DE 9C for employees who meet the following criteria:

- **Religious Exemption** - employees who file and are approved by the state for an exemption from state disability insurance (SDI) taxes under Section 2902 of the California Unemployment Insurance Code (CUIC).

State Updates

California

- **Third Party Sick Pay SUI** subject wages are also required to be filed on a separate Form DE 9C; however, this does not need to be prepared manually. Affected employees will print correctly on a separate Form DE 9C.
- **Sole Stockholder** - an individual approved by the state who elects to be excluded from SDI coverage for benefits and taxes under Section 637.1 of the CUIC.

Connecticut

Connecticut Paid Family Leave and Medical Leave

Starting January 1, 2021, Connecticut (CT) state implemented paid family and medical family leave (PFML) requirements.

PFML requirements include:

- Most employees who work in Connecticut are subject to a 0.5% employee payroll withholding tax for CT PFML starting January 1, 2021. Employers are required to withhold employee contributions for PFML.
- Employers may apply for an exemption if they offer the same benefits to all employees through a private plan. Although employers have the ability to apply for an exemption, individual employees are not permitted to opt-out. For more information on these plans, go to the CT.gov website go to [Private Plan Options](#).
- You can find out how to apply for a private plan by going to [How can my business qualify for a private plan?](#)
- Employees who meet the eligibility criteria may begin receiving benefit payments starting January 1, 2022.

- Expanding covered Connecticut FMLA reasons to include caring for grandparents/children, siblings, and those who are equivalent to a family member.

Your Employer Responsibilities

- Withholding CT PFML tax from employees; employers make no contributions toward the program.
- Remitting taxes and returns quarterly to the CT Paid Leave Authority on the last day of the month following the end of the quarter. Paychex is fulfilling this requirement on your behalf.
- Paychex enrolled you for purposes of tax payments and filings; **however, you must also register with the agency as soon as possible, so you can view your account, update information if necessary, and your employees can receive benefits starting in 2022.**

Employee Benefits

The CT PFML may be taken by an employee to care for themselves, a family member (spouse, parents, in-laws, children, siblings, grandparents, and grandchildren), or anyone else whose close association - whether by blood or affinity - is the equivalent of a family member. Employees incapacitated by pregnancy are eligible for an additional two weeks of CT PFML, for a maximum of 14 weeks. Benefits will begin to be paid on January 1, 2022.

What Paychex is Doing

- Calculating and withholding employee payroll deductions for CT PFML tax.
- Reporting CT PFML withheld quarterly on the return.
- Collecting employee CT PFML withholding per payroll.
- Remitting quarterly payments and returns on behalf of clients.

Connecticut

Registration Resources

- Prepare for Business Registration information
- [Registration form](#)

Note: In order to register with the CT Paid Leave Authority, you must first establish a state identity for your business through business.ct.gov. Once you have a state identity for your business, you may sign in using your business.ct.gov credentials and begin the registration process.

- Once you register with the CT PFML Paid Leave Authority, you will receive your own registration ID. We don't need you to forward the ID to Paychex.

Additional Resources

For more information, you can access additional resources provided by the CT Paid Leave Authority including:

- [Frequently Asked Questions](#)
- [Connecticut Paid Leave website](#)
- [Webinars on the CT PFML](#)

District of Columbia

SUI

The District of Columbia (DC) Department of Employment Services updated their state unemployment (SUI) reporting requirements; employers must report worked and certain non-worked hours for all employees, including salaried employees. These hours must be reported to the agency every quarter in the quarter when they were paid.

The agency defines hours worked as: "Hour worked is any hour in which the covered employee is engaged in a work activity. The actual number of hours worked by the employee for the quarter shall include paid vacation and holiday hours. When calculating work hours, use only actual hours worked and not hours paid."

For a list of hours you need to report, go to does.dc.gov/. If you have any questions about what type of hours to report, talk to your tax advisor or contact the agency directly.

Washington DC Paid Family Leave

Any employer performing services in Washington, DC and paying state unemployment insurance (SUI) will be required to contribute to paid family leave (PFL) for their employees, including:

- Non-profits that pay SUI taxes
- Household employers that pay SUI taxes
- All employers who pay SUI – there is no employee threshold for eligibility

The Paid Family Leave Act provides up to eight weeks of leave to bond with a new child, six weeks of leave to care for a family member with a serious health condition, and two weeks of leave to care for one's own serious health condition. Employee benefits became available on July 1, 2020.

State Updates

District of Columbia

These PFL benefits are funded by a quarterly employer payroll tax of 0.62% of your covered employees' total gross wages. Your quarterly employer contributions are based on the immediate past quarter of wages paid, on the same reporting cycle as the SUI tax. This is an employer contribution only; employees don't make contributions.

Note: There is no wage base limit for DC PFL like there is for SUI.

For more information, you can go to dcpaidfamilyleave.dc.gov/.

Illinois

SUI

- Employers with 25 or more employees must file electronically every quarter.

Statements of Benefit Charges Online Only

Due to the COVID-19 pandemic, effective immediately, the Illinois Department of Employment Security (IDES) will deliver all Statements of Benefit Charges to you electronically through mytax.illinois.gov, rather than by traditional mail.

If you do not yet have an Unemployment Insurance (UI) account in MyTax, register for one by visiting mytax.illinois.gov and click on the "Registration" tab.

Paychex State Unemployment Insurance Service (SUIS) Clients

To have Paychex protest any Statements of Benefit Charges on your behalf, please **forward the electronic version** of your Statements to paychexcharges@employersedge.com.

Indiana

SUI

Statements of Benefit Charges Online Only

Due to the COVID-19 pandemic, effective immediately, the Indiana Department of Workforce Development (DWD) will deliver all Statements of Benefit Charges to you electronically through UPLINK Employer Self Service (ESS) accounts rather than by traditional mail.

If you do not yet have an UPLINK ESS account, register for one by visiting the UPLINK ESS Welcome Page and click on the "Register" button at the top-right corner of your screen.

Paychex State Unemployment Insurance Service (SUIS) Clients

To have Paychex protest any Statements of Benefit Charges on your behalf, please forward the electronic version of your Statements to paychexcharges@employersedge.com.

SOC Codes for SUI Returns

The Indiana (IN) Department of Workforce Development (DWD) requires that additional information be included with the wage reporting for state unemployment insurance (SUI).

For the IN wage report, clients will need to report the following for each employee:

- The Standard Occupational Classification (SOC) codes; these codes are created by the U.S. Department of Labor, Bureau of Labor Statistics to classify occupations
- The primary work zip code
- Full-time/part-time/seasonal work status

Indiana

The U.S. Department of Labor, Bureau of Labor Statistics, created these codes to classify occupations, for a full list of these codes, go to bls.gov/soc/2018/major_groups.htm

For more information about this IN DWD requirement, go to The FAQs at in.gov/dwd/ess_faq.htm, the first question What information do I need to submit in my wage report?

For each IN employee, if you haven't already, you need to:

- Report the numbers to Paychex, as a **6-digit number, without a dash.**
- Report each IN employee's primary work location address for Core Advanced and the zip code, and
- Provide Full-Time/Part-Time/Seasonal work status

Iowa

SUI

The Iowa Workforce Development requires employers to report wages by Reporting Unit. If an employer has multiple worksite locations, wages should be reported separately by Reporting Unit number or worksite. The Reporting Unit number used should be the number reported on the Multiple Worksite Report.

Employers with multiple worksites should report all Reporting Unit numbers immediately.

Louisiana

SOC Codes for SUI Returns

The Louisiana Workforce Commission (LWC) requests that Standard Occupational Classification (SOC) codes to be reported in SUI wage files.

The U.S. Department of Labor, Bureau of Labor Statistics, created these codes to classify occupations.

Assign an SOC code to each employee you have and provide this information to your payroll representative. You can find SOC code titles and descriptions by accessing the Bureau of Labor Statistics website at bls.gov/soc/2010/2010_major_groups.htm#11-0000.

- Use the six-digit code that best describes your employees' work activities
- If you have already provided SOC codes for employees who have changed job functions, please report this change to your payroll representative

Maine

Maine Surcharge

Effective January 1, 2021, the Maine (ME) Department of Labor (DOL) has implemented an Unemployment Program Administrative Fund (UPAF) surcharge. This fund was implemented to ensure adequate funding for the operation of the Maine Unemployment Insurance Program. The UPAF rate for all employers who pay SUI tax on employees' taxable wages up to \$12,000 is 0.13%.

Reimbursable employers and exempt employers are not subject to the new surcharge. The agency is communicating this information on the 2021 SUI rate notices that they've started sending to employers.

We'll calculate this assessment and include it on your quarterly SUI return so you can pay it with the return.

Massachusetts

SUI

New Quarterly COVID-19 Recovery Assessment

As part of the Commonwealth's plan to recover the cost of benefits paid by the UI Trust Fund in 2020 and 2021 during the COVID-19 crisis and to spread these costs over time, employers will receive a quarterly COVID-19 recovery assessment. This assessment is retroactive to January 1, 2021, for all experience-rated employers.

The COVID-19 Recovery Assessment Rate is equal to 10.50% of an employer's corresponding UI rate. For example, if your SUI rate is 2.82%, your COVID assessment rate is 0.296%.

Massachusetts Employer Medical Assistance Contribution (EMAC)

All Massachusetts employers subject to SUI with more than five employees are responsible for the Employer Medical Assistance Contribution (EMAC) contribution as follows.

Description	Percent
Newly-Liable Employers for first 3 years	Exempt
Fourth Year	0.12%
Fifth Year	0.24%
Sixth Year and Subsequent Years	0.34%

All payments are calculated using the SUI taxable wage base; the 2021 wage base is \$15,000.

Massachusetts Paid Family and Medical Leave

Most PFML benefits became available to covered individuals beginning on January 1, 2021, except for paid family leave to care for a family member with a serious health condition. This became available on July 1, 2021. The Massachusetts Paid

Family and Medical Leave (PFML) program is funded by premiums paid by workers and certain employers through payroll deductions that began in 2019. Depending on the makeup of the client's workforce, they may be responsible for remitting contributions for both Massachusetts W-2 employees (full-time, part-time, seasonal) and Massachusetts 1099-MISC contractors.

If You Already Offer Family and Medical Leave Benefits

If you are already offering family and medical leave benefits to your employees, that is greater or equal to the benefits provided by the MA PFML program, you may apply for annual exemptions from making contributions for both medical leave and family leave. If your business receives this exemption your employees will not be covered by the state PFML plan.

You'll need to let your payroll service representative know if you are granted an exemption the state MA PFML program.

Notifying W-2 Employees/1099-MISC Contractors

Massachusetts employers are required to notify their workforce about the state's PFML program, including its benefits and protections that apply to them. This notification includes:

Workplace Poster

All Massachusetts employers must display the [Paid Family and Medical Leave mandatory workplace poster](#) prepared or approved by the Department of Family and Medical Leave (DFML) that explains the benefits available to their workforce under the PFML law. They must post this poster at their workplace in a location where it can be easily read.

The poster must be available in English and each language that is the primary language of five or more individuals in their workforce if such translations are made available from the Department of Family and Medical Leave (DFML).

Written Notice Requirements

On or before September 30, 2019, Employers and Covered Business Entities are required to provide written notice to their current workforce of PFML benefits, contribution rates, and other provisions as outlined in [M.G.L. c. 175M sec. 4](#).

- Employers may download a template of this notice provided by DFML or create their own with all of the required elements. Sample notices are available on the state's website. The current version is provided below:

-**W-2 employee notice** - mass.gov/doc/employer-notice-to-employee

-**1099-MISC notice** - mass.gov/doc/employer-notice-to-self-employed-individual

For more information about the notice, click [here](#).

Employee Benefits

Eligible employees may be entitled to receive benefits for qualified leaves starting in 2021 under the Massachusetts PFML program. For more information about employee benefits, click [here](#)

Michigan

SUI

Effective January 1, 2021, Michigan's (MI) taxable state unemployment insurance (SUI) wage base will be \$9,500 **for all contributing employers**.

This change is the result of Michigan's Unemployment Insurance Trust Fund falling below the required threshold of 2.5 billion dollars. MI unemployment law mandates that when the Trust Fund falls below this threshold, they can no longer offer a reduced taxable wage base to non-delinquent employers. The \$95,000 wage base for all employers will remain in place until the trust fund meets the threshold.

Minnesota

SUI

The Minnesota State Unemployment agency announced that effective for 2021, a Federal Loan Interest Assessment will be applied. This is assessed when the Unemployment Insurance Trust Fund borrows federal funds to pay unemployment benefits. The amount to recoup interest on the loan is incorporated into the tax computation.

The Federal Loan Interest Assessment is calculated by multiplying the Federal Loan Interest Assessment percentage times the sum of the UI Taxes Due and the Additional Assessment.

After the quarterly amount due is calculated, you multiply that amount by 4%. The 4% is NOT applied to employers' full taxable wages, only to the amount due.

We'll calculate this assessment collect the amount due, and remit it with your quarterly SUI return.

Nevada

SUI

If you are subject to SUI tax in Nevada, we are required to file the Nevada Modified Business Tax return quarterly with the Nevada Department of Taxation. If you have employer contributions to health insurance/health benefits plans that are not being processed through us, this amount must be reported to your service specialist or tax team specialist prior to each quarter-end process. If employer contributions are not reported on time, it will be entered in the following quarter.

- For Paychex PEO to properly prepare the Nevada Modified Business Tax return, please report employer-paid health care amounts that are not being processed through us prior to June 30, 2021.

State Updates

Nevada

Modified Business Tax (MBT)

If You Are Required to Remit the Nevada Commerce Tax

Nevada implemented a Commerce Tax which is an annual tax imposed on the Nevada gross revenue of each entity doing business in the state. The Commerce Tax applies to businesses with gross revenue of \$4 million dollars or more in a fiscal tax year.

The Commerce Tax is not a payroll tax and Paychex will not be preparing or filing these returns; however, eligible employers can now take a credit towards their Modified Business Tax (MBT); Paychex does report this tax for you and will support this new tax credit.

MBT Tax Credit

Who is eligible for the Nevada Commerce tax credit?

You may be eligible for a tax credit to your MBT tax if your business has \$4 million dollars in annual fiscal year revenue and pays \$50,000 or more in wages each quarter.

What is the tax credit towards the MBT?

50 percent of the Commerce Tax paid by your business for the previous Nevada fiscal tax year may be used as a tax credit towards MBT. The Nevada fiscal tax year is July 1 through June 30, including the last two quarters of one year and the first two quarters of the next.

Can you give me an example?

Fiscal Year for Commerce Tax	When to take the MBT Credit
2021 – third and fourth quarters 2020 and first and second quarters 2021	Third and fourth quarters 2021 and first and second quarters 2022
2022 – third and fourth quarters 2021 and first and second quarters 2022	Third and fourth quarters 2022 and first and second quarters 2023

What if my credit is more than my MBT tax?

The credit carries over from quarter to quarter but must be used in the first four quarters after the fiscal tax year. In the previous example, if you still had a credit after second quarter 2020 for fiscal year 2019, you would lose the rest of the credit.

What will Paychex do once I send you the credit amount?

Paychex will apply the credit to your MBT payment and carry the amount over as necessary. It is important that you report the credit to us as soon as possible so we can apply it to the applicable quarters.

Can I get a refund instead of applying the credit to my MBT tax payment?

No, the credit must be applied to current or future tax due.

Where can I get more information about this tax credit?

You can access a frequently asked questions document on the agency's website at tax.nv.gov/Commerce/MBTCreditFAQs/

- **MBT Credit** - It is best if you report this information to Paychex so we can show it on your return and track it for you. It is not required, you can update your returns and track the credit.

New Jersey

SUI

The Family Leave Insurance/Temporary Disability Insurance (FLI/ TDI) taxable wage base is calculated separately from the SUI taxable wage base. The calculation for the FLI/TDI taxable wage base will change from 28 times the state average weekly wage (SAWW) to 107 times the SAWW.

The New Jersey (NJ) Department of Labor requires a social security number (SSN) for each employee whose wages are reported on Form WR-30. The number of weeks worked must be reported for each employee who earned at least twenty times the minimum wage in a week.

If this information is missing, the state may assess a fine for missing information ranging from \$5.00 per employee for the first occurrence to \$25.00 per employee for subsequent occurrences.

- Review the last timesheet for missing/ incorrect SSNs.

Ohio Locals

During the COVID-19 pandemic, Ohio legislators passed an emergency rule that allowed all employers to withhold tax from employees based on their principal place of work (business location) even though employees were instructed to work from home. This rule was set to expire soon; however, the rule is now extended until December 31, 2021.

As of January 1, 2022, if employees haven't returned to your place of business, and continue to work from home, they will need to be taxed based on their home locations being their place of work.

How will this affect my business in 2022?

- You'll need to inform us if you have employees working from home in different locals than are currently set up for them.

What about the rest of 2021?

- You can continue to withhold tax from employees based on your principal place of work while employees are working from home.
- Your employees have the option to claim a refund based on taxes paid to the work location if they weren't working there and remit payment based on where they live.
- If you have employees working from home permanently, you can make the changes to withhold local tax based on their home locations now; you don't need to wait until the new year. You'll also need to let us know which employees need to be assigned to the new locals.
- You may want to consult with your CPA or tax advisor about whether it is more advantageous for your employees for you to make the change now or later.)

We're letting you know about this change now, so you have time to identify withholding changes that are needed before 2022. You can also choose to make these changes immediately.

Remember to let Paychex know which employees need to be assigned to new locals.

State Updates

South Dakota

SUI

South Dakota has an Administrative Fee surcharge for employers with a SUI reserve ratio of less than 2.25%. Employers who are assigned the Administrative Fee will have an additional 0.02% added to their SUI rates. The surcharge is not part of the employers' SUI rates and is split out on the employer rate notices.

The South Dakota Department of Labor sent 2021 rate notices to employers that includes this new surcharge. You must report the surcharge to Paychex; we have no way of knowing if you have been assigned the additional surcharge.

Vermont

SUI

Employers with more than four employees are required to report and pay an employer's health care contribution premium that is based on a calculated number of uncovered full-time equivalent employees (FTEs) multiplied by a rate of \$186.56.

- Report the number of uncovered FTEs to your payroll contact

If you need more information, please go to the Vermont Department of Tax Web site at: tax.vermont.gov.

Virginia

Virginia Overtime Wages to Non-exempt Employees

On July 1, 2021, the Virginia Overtime Wage Act went into effect. This law requires employers in the Commonwealth to pay an overtime wage rate to non-exempt employees equal to one and one-half times the regular rate of pay for all hours worked in excess of 40

hours in a workweek. The required calculations for the determination of the regular rate differ from the federal Fair Labor Standards Act (FLSA) in some instances. Under the FLSA, an employee's regular rate of pay is the sum of all remuneration except items specifically excluded by statute divided by total hours worked in a workweek regardless of the method of payment.

Under the Virginia Overtime Wage Act, for employees paid on an hourly basis, the regular rate is the hourly rate of pay plus any other non-overtime wages paid for that workweek, excluding the FLSA statutory exclusions, divided by the total number of hours worked in that workweek. However, the regular rate calculations for employees paid on a salary or other regular basis is one-fortieth of all wages paid for that workweek.

Refer to these FAQs on the Virginia agency website for more information.

Example of the calculation for non-exempt employees paid on a salary basis:

Non-exempt employee paid a salary of \$700 and worked 50 hours

$\$700 \div 40 \text{ hours} =$

\$17.50 per hour regular rate

Time and a half the \$17.50 regular rate =
\$26.25 per hour

10 overtime hours x \$26.25 per hour =
\$262.50 in overtime owed

Washington

SUI/Workers' Compensation (L&I) and Paid Family and Medical Leave

Washington Employment Security, Washington Labor & Industries (WC) and Washington Paid Family and Medical leave, requires that the number of hours worked by all employees (including salaried employees) be reported.

Washington

Washington Employment Security also requires social security numbers for all employees to be reported. Review the last timesheet from your payroll package for missing or incorrect SSNs.

- Report any missing or incorrect information to your payroll contact.

Washington Paid Medical Leave

About 2/3 of the premium (63.33%) can be paid by employees. Employers are required to either withhold this amount from employee' paychecks or pay it on their employees' behalf. Employers then submit this portion of the premium to the state along with their quarterly reports.

Employer premium (mandatory for businesses with 50+ employees): About 1/3 of the premium (36.67%) is the employer's share. If your business has 50 or more employees, you must pay the employer share of the premium. If you have fewer than 50 employees, the employer premium is optional. If your small business chooses to pay the employer share of the premium, you can receive additional benefits for your business.

The due date follows the Employment Security Department's unemployment quarterly tax due dates. The PFML payments and reporting process is through a separate process than the unemployment tax reporting. For further information regarding the PFML insurance program, please go to the agency website at: paidleave.wa.gov/employers

WA PFML Registration

Employers need to manually register for Washington (WA) Paid Family and Medical Leave (PFML) account through the [Secure Access Washington \(SAW\)](#). In the past this was done automatically as part of WA state unemployment

insurance (SUI) and WA Labor & Industries (L&I) account registration; that is no longer the case.

To register for a WA PFML account, clients need to:

1. Log in to the [SAW](#) website.
 - If clients don't already have a SAW account, this [Instructional Video](#) may be helpful.
 - Clients will need their state unemployment insurance (SUI) ID and their Unified Business Identifier (UBI) numbers when registering. If they don't have a UBI number, they need to complete the [Master Business Application](#).
 - Employers may be required to upload supporting documentation such as the Master Business License or Articles of Incorporation
2. Add a new service, by selecting PFML from the list of options.

Payments and Returns

Employee and employer (if applicable) WA PFML premium payments will be collected every pay period and remitted to the agency with the required reporting on or before the quarter end due date.

If you haven't already reported it, we'll need your Unified Business Identifier (UBI) number to report on the return. You can find this information on your 2021 SUI tax rate notice please forward this notice to us so we can verify your UBI number and update your 2021 SUI tax rate.

You are required to track employee hours, wages, and total premium collected from employees, along with employer and employee identifying data; we'll report this information based on the information you have provided when reporting payroll each pay period.

State Updates

Washington

Voluntary Plans

You may elect to have your own voluntary plans (which must be approved by the state by December 31 of the previous year) for either Paid Family Leave, Paid Medical Leave or both. If you need additional information on voluntary plans, go to paidleave.wa.gov/voluntary-plans.

If you have an approved voluntary plan you don't need to contribute to the state plan; however, you'll need to let your service specialist know of this situation.

September 2021

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