

Quarter-End Reporting Deadlines

Please be aware of your deadline for reporting information or changes for first quarter to your payroll contact. If you are unsure of the deadline, please ask your payroll contact. **If any adjustments are needed after the deadline, there is an additional charge to amend tax returns and a processing delay for those returns.**

Quarter-End Checklist

- Check to see if you have any items to report to your payroll contact.** Report in-house checks, voided checks, or sick/disability payments to employees by a third party on or before your final payroll of the quarter.
- Verify that tax liabilities were collected for bonus checks.** Bonus checks may be processed with your regular payroll, but must be processed independently if a separate payroll journal is necessary or the bonus payroll has a different date than the normal payroll date.
- Confirm that your employees do not have negative wages.** Negative wages are not accepted by federal or state agencies. Verify quarter-to-date wages when voiding checks to ensure voided payroll entries will not result in a negative wage situation for the current quarter. If you have questions, ask your payroll contact.
- Report any changes or missing information.** Review company names, addresses and federal and state ID numbers on your payroll reports. If information is missing or inaccurate, see “Reporting Changes and Missing Information” (page 3) for instructions on how to correct it.
Note: An employee’s name shown on the Employee Address listing should be the same name that is on the employee’s social security card. A middle initial instead of the entire middle name is sufficient.

Questions?

Talk to your payroll contact.

Paychex Quarter-End Guide

Quarter-End Instructions

Taxpay[®] Clients

We will automatically make tax deposit(s) related to your bonus payroll.

To avoid an overpayment through duplicate tax deposits, let your payroll contact know if you have already made the tax deposit for a bonus payroll or intend to make it. Agencies refund overpayments directly to employers; Paychex cannot refund a duplicate payment.

If changes are necessary for first quarter payroll information after the reporting deadline, refer to the following table to review a summary of responsibilities. If you have any questions, talk to your payroll contact.

Taxpay Client Summary of Responsibilities

Adjustments Made After Deadline	Paychex Responsibility	Client Responsibility
Increase wages	Collect and deposit any additional liabilities on request.	<input type="checkbox"/> Pay penalties or interest incurred as a result of late payments.
Increase wages; accumulated federal tax liability is \$100,000 or more for any check date	Collect and deposit any additional liabilities on request. In all likelihood, Paychex will not be able to make the tax deposit on time.	<input type="checkbox"/> Pay penalties or interest incurred as a result of late payments.
Increase wages; the check date is out of sequence (backdating)	Collect and deposit any additional liabilities on request.	<input type="checkbox"/> Pay penalties or interest incurred as a result of late payments.
Decrease wages	Overpayment is shown on state return and, depending on state requirement, applied to the next quarter or refund is requested.	<input type="checkbox"/> None

Reporting Changes & Missing Information

Change or Missing Information	Client Responsibility	Paychex Responsibility
<p>Company's legal name changed.</p> <p>Federal, state, local, and state unemployment insurance (SUI) ID numbers, organization, or ownership did not change.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Provide Paychex with name change documentation from the Internal Revenue Service (IRS). <input type="checkbox"/> Provide Paychex with name change documentation from the SUI, state, and local tax agency. 	<p>Paychex will make a name change only if we receive verification from the IRS.</p> <p>If your company is enrolled in the Electronic Federal Tax Payment System (EFTPS), the IRS will forward the name change to the Treasury Financial Agent (TFA).</p>
<p>Business federal address changed.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Request an IRS Form 8822, Change of Address form. Access this form online at: http://www.irs.gov/pub/irs-pdf/f8822.pdf. <input type="checkbox"/> It is your responsibility to complete Form 8822 and file the form with the IRS. Complete Form 8822. Send the original to the IRS and a copy to your payroll contact. <input type="checkbox"/> Send your payroll contact the IRS confirmation of your address change. 	<p>Paychex will make an address change when you inform your payroll contact.</p>
<p>Business, state, or local agency addresses changed.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Refer to the state or local agency website where your business is located for procedures about how to change your address. <input type="checkbox"/> Complete the appropriate paperwork with the state/local agency to change your business address. 	<p>Paychex will make an address change when you inform your payroll contact.</p>
<p>Federal, state, and local ID numbers missing.</p> <p>Note: Agencies are increasingly rejecting returns and/or penalizing employers who file with missing or “applied for” ID numbers.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Review copies of last quarter’s tax returns for missing ID numbers. <input type="checkbox"/> Provide missing information to your payroll contact 	<p>Update our system to ensure that all quarterly and annual returns are correct.</p>

Paychex Quarter-End Guide

Quarter-End Instructions

Change or Missing Information	Client Responsibility	Paychex Responsibility
<p>Social security numbers (SSNs) missing.</p> <p>Note: Agencies are increasingly rejecting returns and/or penalizing employers who file with missing SSNs.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Review the last timesheet you received in your payroll package for incorrect or missing employee SSNs. (Only applies to select clients) <input type="checkbox"/> Provide missing information to your payroll contact. 	<p>Update our system to ensure that all quarterly and annual returns are correct.</p>
<p>State deposit frequency changed.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Write your client name and number on the notice you received and fax or mail a copy to your payroll contact. 	<p>Update our system to ensure that state withholding payments and returns are calculated correctly.</p>
<p>SUI rate changed.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Write your client name and number on the notice you received and fax or mail a copy to your payroll contact. 	<p>Update our system to ensure that SUI payments and returns are calculated correctly.</p>
<p>Electronic funds transfer (EFT) requirement notifications received.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Write your client name and number on the notice you received and fax or mail a copy to your payroll contact. 	<p>Update our system to ensure that payments and returns are calculated correctly.</p>

Earning Records & Quarter-To-Date/ Year-To-Date Reports

We will provide you with a printed copy of your Employee Earnings Records, our most comprehensive employee management report.

You can also safely access Employee Earnings Records for each employee at your convenience using a customized date range via our free Paychex Online Reports Service.

This report provides a wealth of information, including:

- Individual employee wage rate 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.

To sign up for online access to this report, or if you no longer want to receive printed copies, notify your payroll contact.

For clients using Preview[®], this information is available by running the report Rept0020 from your standard report queue.

Please review this summary of changes to federal tax deposit rules and regulations that could affect you.

COBRA Subsidy

The American Recovery and Reinvestment Act of 2009 (ARRA), commonly known as the Economic Stimulus Act, created an employer COBRA subsidy of 65 percent for assistance eligible individuals.

If you are an employer subject to federal COBRA or similar requirements under state law, you may be required to accept a 35 percent premium payment from certain participants eligible under ARRA as payment in full for their monthly premium. Employers must pay the remaining 65 percent of the premium on behalf of COBRA participants.

You may recover the 65 percent subsidy provided to assistance-eligible individuals by taking the subsidy amount as a credit on your Employer's Quarterly Federal Tax Return (Form 941). The revised Form 941 now includes additional lines to report the number of COBRA premium assistance individuals and the total dollar amount of COBRA premium assistance payments.

For Paychex to accurately complete the Form 941 for you, we require that written documentation of COBRA premium assistance payments be submitted on the Economic Stimulus Act: COBRA Subsidy Information form. Your payroll contact can provide you with a copy of this form. Subscribers to the Paychex COBRA Administration service need not take any action as this information is automatically updated in the payroll system.

To learn more about ARRA requirements and review updated information, please visit the IRS Web site at <http://www.irs.gov/newsroom/article/0,,id=204708,00.html>. This Web site also explains the documentation you must retain to substantiate amounts paid on behalf of COBRA recipients receiving assistance.

If you have any questions, please contact your payroll contact. If you do not use the Paychex COBRA Administration service and you have questions about whether or not employees may be eligible for the COBRA subsidy, contact your COBRA provider.

Note: Eligibility for COBRA premium assistance payments ended on May 31, 2010. This means that in order to be considered an assistance eligible individual, a participant must have experienced an involuntary termination of employment on or prior to this date. If they have elected to receive this benefit, the subsidized payments would continue for up to 15 months unless they became eligible for other health insurance (new employer, federal insurance, etc).

**For MMS clients, you can enter any COBRA subsidies directly into Preview. If you have any questions, please notify your payroll contact.

Line Added to Form 941 for Unreported Tips

Tipped employees can submit Form 4137 (Social Security and Medicare Tax on Unreported Tip Income) to declare unreported tips with their personal tax returns. The Internal Revenue Service (IRS) can use this data to assess whether employers owe additional FICA tax.

If the IRS determines that additional liability is due based on these unreported tips or based on an examination of the employer's records by an auditor, the agency issues a Section 3121(q) Notice and Demand letter to affected employers, this notice will indicate how much tax is owed; this tax must be remitted based on your businesses' federal tax deposit frequency.

Note: The IRS does not issue these notices retroactively. When the IRS determines that additional employer taxes are owed on tips (regardless of when the tips were earned), it becomes a liability as of the date on the notice.

This information must also be reported separately on Form 941. A new line, 5e, has been added to the return to report the additional employer FICA tax due titled "Section 3121(q) Notice and Demand – Tax due on unreported tips."

These notices are not common; however, if you do receive a notice Paychex is prepared to handle the situation. If you receive one of these notices, you must notify your payroll contact immediately and send us a copy of the notice. We will report this information on the appropriate Form 941. If you are a Taxpay client, we will also remit this tax to the IRS on your behalf. If you are a non-Taxpay client, you will be responsible for remitting the tax due based on your federal deposit frequency.

EFTPS Enrollment

Effective January 1, 2011, the IRS discontinued accepting Form 8109 deposits. If you are not on our Taxpay service, you will need to register your business and make payments electronically on www.eftps.gov.

The only exception to this rule is taxpayers who file Form 941 may send a check with the return if their liability is \$2,500.00 or less for the quarter. Similarly, if the taxpayer is a Form 944 filer, they may remit taxes due with the return if their liability is \$2,500.00 or less annually.

Note: It is ultimately the taxpayer's responsibility to ensure that all taxes are being remitted on time to the IRS. Using a payroll service does not absolve the employer of this responsibility.

Fair Labor Standards Act (FLSA) Reminder

Commissions, certain bonuses, and some other types of non-hourly compensation may need to be included when calculating overtime under the FLSA and state wage laws. To include commissions, bonuses or other types of compensation into your overtime calculation, advise your payroll specialist. If you are uncertain whether to do so, consult your attorney or accountant.

FUTA Threshold

For 2012, employers are required to make a quarterly deposit for FUTA if accumulated tax exceeds \$500.00 in the quarter.

Advanced Earned Income Credit (AEIC)

The IRS has eliminated the Advanced Earned Income Tax Credit (AEIC) program effective January 1, 2011. You can no longer accept a Form W-5 from any employee who was eligible for AEIC in the past. If employees have questions about this change, please refer them to a tax professional for advice.

OFAC Requirements for Foreign-Funded Payroll

The United States Department of the Treasury's Office of Foreign Assets Control (OFAC) requires that all financial institutions and payroll companies determine if they have clients who are foreign-funded and flag those clients' ACH transactions with an indicator prompting their payroll transactions to be screened by banks before funds are deposited.

If your company is identified as foreign-funded, Paychex will code your payroll transactions with an international indicator. In addition, even if your company is not foreign-funded, if any of your employees have a non-U.S. address, their transactions will be coded as international, prompting the payroll transactions to be screened by banks before being deposited. The availability of your employees' payroll funds may be affected since international ACH entries (IAT) are not required to be available as of the start of the business day. Also, if a transaction is determined to be suspect during the OFAC screening, it must be held until the issue is resolved and cleared, or the item is identified as an actual OFAC violation, in which case, the assets would be blocked.

Visit <http://www.treas.gov/ofac> for additional information about OFAC and current lists of countries, individuals, groups, and entities such as terrorists and narcotics traffickers (SDNs) that are prohibited from engaging in trade or financial transactions with U.S. persons.

Supplemental Wages Over \$1,000,000

Special rules apply if supplemental wages paid to any one employee exceed \$1,000,000 during the calendar year. If total supplemental wage payments paid to an employee for the year exceed \$1,000,000, the excess is subject to withholding at 35 percent for 2012— regardless of any other withholding rules and the employee's Form W-4. Supplemental wages paid to an employee during the calendar year that are equal to or less than \$1,000,000 follow regular withholding rules for supplemental wages.

- Notify your payroll contact if your payroll includes a payment that will put an employee over \$1,000,000 in supplemental wages paid year-to-date.

Reporting Taxable Adjustments for Separated Employees

Taxable adjustments (for example, personal use of a company car or imputed value of group-term life insurance) should be reported with regular payroll whenever possible. Regular reporting of these adjustments allows required employee taxes to be withheld from wages. If taxable adjustments are reported without wages, the employer may be liable for the employee portion of taxes.

- When employees leave the company voluntarily or involuntarily, the employer should report taxable adjustments with the employees' last checks; otherwise, the employer may be liable for the employee portion of taxes.

If the employer pays 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 payroll contact. We can help you calculate the additional amount needed to cover the employee portion of FICA.

Example of Tax Adjustments for Separated Employee

Scenario: You need to report \$100.00 as the imputed value of group-term life insurance in excess of \$50,000.

- If you report the \$100.00 with the employee's last paycheck, \$5.65 in employee FICA tax is withheld from the employee's wages. You are liable only for the employer's share of FICA. **Your total cost is \$7.65.**
- If you report the \$100.00 after the employee's last paycheck is issued, employee FICA cannot be withheld because no wages are being paid. You will be liable for the employee portion of FICA (\$5.65), plus the employer portion of FICA (\$7.65). You must report \$5.99 as wages to cover employee FICA. You will also have to pay \$5.99 for employer FICA. **Your total cost is \$13.64.**

Paychex Quarter-End Guide

Federal Updates

The IRS formula for calculating the additional wages is:

$$\text{Total amount (gross)} = \frac{\text{taxable adjustment}}{1 - (\text{Sum of all employee tax percentages})}$$

Only FICA tax is required in this example:

$$\text{Step 1: Total amount (gross)} = \frac{\$100}{1 - .0565} = \frac{\$100}{.9435} = \$105.99$$

$$\text{Step 2: Total amount} - \text{taxable adjustment} = \text{additional wages}$$
$$= \$105.99 - \$100 = \$5.99$$

Alabama Employers

The Alabama Department of Industrial Relations Unemployment Compensation Division requires the agency ID number on Alabama filings.

- ❑ Obtain the employer ID number by completing Form SR2 located online at <http://www.dir.alabama.gov>. Report the ID number to your payroll contact.

Alaska Employers

Non-Taxpay[®] Clients

The Alaska Department of Labor and Workforce Development requires employers with 100 or more employees to file the contribution and wage return Form TQ01C on their website. Information regarding Web filing can be obtained at <http://www.labor.state.ak.us/estax> or by calling 888-448-3527.

- If you have 100 or more employees, file your Form TQ01C on the website.

Taxpay[®] Clients

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

- If these codes are not already on file, obtain both codes by referring to the Occupational Coding Manual at: <http://www.labor.state.ak.us/research/erg/occmanual.pdf>.
- Report these codes to your payroll contact.

Arizona Employers

Arizona Department of Economic Security has retroactively established a tax to repay federal Loan Assessment interest to the federal government for tax years 2011 and 2012.

The SA rate for 2011 was 0.40 percent of taxable wages paid in 2011. Taxable wages are the first \$7,000.00 of gross wages paid to an employee in a calendar year. The SA rate for 2012 is .560 percent.

Arkansas Employers

The Arkansas Department of Workforce Services requires the agency ID number on Arkansas returns.

- ❑ Obtain your employer ID by calling the Arkansas Department of Workforce Services at 501-682-2121. Report the ID number to your payroll contact.

Effective second quarter 2011, the Arkansas Department of Workforce Services has implemented a new Advance Interest Tax to repay federal loans borrowed to pay state unemployment insurance (SUI) benefits.

All Arkansas employers, except reimbursable employers, will have an additional 0.2 percent added to their Arkansas SUI rate. The Advance Interest Tax will remain in effect until all advances and interest are repaid.

Non-Taxpay[®] Clients

The Arkansas Department of Workforce Services requires the contribution payment amount to be reported with quarterly Arkansas wages. Paychex is no longer able to file quarterly wages for non-Taxpay clients who exceed the 250 employee threshold requirement for magnetic media required by the agency. Wages can be reported online at:

<https://www.employment.arkansas.gov/ERSWeb/ers/Security/WelcomePage.jsp>.

California Employers

The California Employment Development Department requires that wages be reported on a separate Form DE9C 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).
- 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.
- Free Venture Program - youth employees who are incarcerated with the California Youth Authority.
- Joint Venture Program - adult employees who are inmates of the California Department of Corrections.

If you have employees who qualify:

- Provide the names of current qualifying employees to your payroll contact and report this information as you add new employees.

Colorado Employers

The Colorado Department of Labor and Employment 20 percent tax credit will not be in effect for 2012.

The Colorado Department of Labor and Employment requires that wage information be reported separately for regular and seasonal employees. Only employers who have been granted seasonal status may report seasonal wages. If you have employees who qualify:

- Provide the names of current qualifying employees to your payroll contact; report this information as you add new employees.

Taxpay® for Colorado Locals

- Ask your payroll contact for the Paychex Colorado Local Occupational Privilege Tax Contract Addendum (Form TP0071) and Colorado Local Occupational Privilege Tax Client Information Form (Form TP0072).
- Immediately submit any changes in tax information to your payroll contact.

Florida Employers

The Florida Department of Revenue requires employers with 10 or more employees to electronically file UCT 6 and UCT 6A and make SUI payments using electronic funds transfer (EFT).

Non-Taxpay[®] Clients

- ❑ If you have 10 or more employees, file Forms UCT 6 and UCT 6A online and pay your SUI tax using EFT. You can enroll in e-Services by accessing the Florida agency Web site at <http://www.myflorida.com/dor>. If you are required to file electronically, but file on paper, you may be assessed a penalty.

- ❑ Florida requires employers to report out-of-state wages earned by employees who earned wages in Florida and another state within a given quarter.

Paychex identified an omission on the newly revised Quarterly Report form. The Florida Department of Revenue did not include a line for out-of-state quarter-to-date wage information on the return approved for bulk payroll providers and software vendors. The reference copy included in the quarter-end package for affected non-Taxpay clients will not have the information that is required for electronic filing. Employers can use the wage information contained on the wage detail reports of any other state in which wages may have been earned by an employee, in addition to Florida, within the quarter.

Illinois Employers

Large employers, those with 250 or more employees in the prior calendar year (not quarter), must file on magnetic media (cartridge or diskette) or electronically.

- ❑ Large employers can file their reports using the file upload function in the Illinois TaxNet Internet application located at <https://taxnet.ides.state.il.us>.

Iowa Employers

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 to your payroll contact immediately.

Non-Taxpay[®] Clients

Iowa Workforce Development will require that all quarterly payments made by paper check or money order be accompanied by a payment voucher, Form 68-0434.

Non-Taxpay clients will need to complete the payment voucher and include it with their quarterly payment and return. The voucher can be found on the Iowa Workforce Development website at <http://www.iowaworkforce.org/ui/stawrs/68-0434.pdf>.

Kansas Employers

Non-Taxpay Clients

The Kansas Department of Labor is requiring any employer with an identification number to file electronically. Information regarding Web filing can be obtained at <http://www.dol.ks.gov/> or by calling 785-296-5027.

Note: No action is required by Taxpay[®] clients, Paychex electronically files returns on your behalf.

Maine Employers

The Maine Bureau of Employment Security requires seasonal businesses to report their seasonal code and period on the SUI portion of the Combined Withholding Return.

- ❑ If you have not already done so, report seasonal information to your payroll contact during your next payroll appointment.

Form 941/C1-ME

The Maine Bureau of Employment Security has partnered with the Maine Bureau of Revenue Services to jointly report state unemployment and state withholding on the Maine quarterly contribution and wage report. SUI-exempt clients, not-subject clients, and withholding-only clients should use Form 941-ME. All other employers, except those who filed on Form 941-ME, should use Form 941/C1-ME. **If you are not using the Taxpay[®] service**, Paychex will provide agency-ready returns for you to sign and file, as well as copies of the returns for your records, quarterly. You can either file Forms 941-ME and 941/C1-ME using paper returns or through electronic filing.

If you choose to file paper returns:

1. Verify your ID number, name, and address on the return.

If your ID number is missing, print it on the return and provide the number to your payroll contact along with documentation from the agency.

If your ID number, name, and/or address is incorrect, let your payroll contact know **immediately**.

2. Sign and enclose a check made payable to Maine Revenue Services if the return shows a balance due. Write your ID number on the check.
3. Make a copy of the completed return for your files. **Do not staple the pages.**
4. Mail all pages of the return with any payment on or before ____/____/____ to:

Maine Bureau of Revenue Services
Income/Estate Tax Division
PO Box 9103
Augusta, ME 04332-9103

Paychex Quarter-End Guide

State Updates

If you choose to file electronically:

Enter the information provided on your Paychex agency-ready return into the Maine website. If you file electronically, you are not required to remit the paper return. For information on filing through the Maine website, refer to <http://www.Maine.gov/revenue/netfile/gateway2.htm>.

Notes:

- If you are exempt for state unemployment insurance, you will receive only Form 941-ME.
- To confirm that a payment has been received or to inquire about other matters, you can contact Maine agencies as follows:

Maine Revenue Services
207-626-8475
www.maine.gov/revenue

Maine Department of Labor
207-621-5120
www.maine.gov/labor

Massachusetts Employers

The Massachusetts Department of Unemployment Assistance (DUA) has mandated that all employers regardless of subjectivity are required to electronically file quarterly unemployment tax and wage data via the MA QUEST system. Massachusetts quarterly wage data must now be reported to MA DUA instead of the MA Department of Revenue. Paper submissions of the previously accepted MA DOR Form WR-1 and MA DUA Form-1 and 1700-HI will no longer be accepted by the DUA.

The basic rate for health insurance has increased to 0.36 percent of wages paid for employers in business for at least five years. Remember that new employers are not required to pay the health insurance tax until they have been an employer for at least 24 consecutive months. In the third year, they pay 0.04 percent for unemployment health insurance; the fourth year, they pay .08 percent; and in the fifth and subsequent years, they pay the basic rate.

The Massachusetts DUA will no longer send a SUI Form-1, a Health Form 1700-HI, or a quarterly wage report to employers. We produce a facsimile sample copy return for you as part of our service. Please note the facsimile sample copies are for reference purposes only and are not file-ready.

- Report the Massachusetts unemployment tax and health insurance tax rates to your payroll contact immediately.

Nevada Employers

If you are subject to SUI tax in Nevada, you 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, this amount must be reported to your payroll contact prior to each quarter-end deadline date. If employer contributions are not reported on time, they will be entered in the following quarter.

- ❑ If Paychex prepares your Nevada Modified Business Tax return, report employer-paid health care amounts prior to the quarter-end deadline date.

New Hampshire Employers

New Hampshire Unemployment Security continues to reduce the Fund Balance Reduction rate to 0.0 percent. This reduction applies only to Positive Fund Balance employers and new employers.

New Jersey Employers

New Jersey will no longer mail or provide paper returns (NJ-927, NJ-927W, and WR-30) to employers. Filing options include Web filing, bulk filing, and Secure File Transfer Protocol (SFTP). Payment options include electronic funds transfer (EFT), E-check, or credit card payments.

- To learn more about New Jersey payment and filing requirements, access the agency website at https://www1.state.nj.us/TYTR_BusinessFilings/jsp/common/Login.jsp?processType=RETURN.

The New Jersey Department of Labor requires a social security number 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 \$145.00 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 from your payroll package for missing or incorrect SSNs.
- If you are new to Paychex this quarter, verify the number of weeks worked listed for each employee on the timesheet.
- Report any missing or incorrect information to your payroll contact.

New Mexico Employers

New Mexico mandates that filers report the workers' compensation fee due for each employee on the quarterly Form ES903B (wage continuation sheet). This fee is either a \$4.30 flat fee per employee or zero, and is reported and paid separately using Form WC-1. This return is not supported by Taxpay[®] and will continue to be paid and filed by the employer.

- ❑ Review the following exceptions to the current reporting of the workers' compensation fee due on Form ES903B and report any exceptions to your payroll contact.

New Mexico Workers' Compensation Fee Exceptions

If there are three or more employees:

If the business had three or more employees who were employed on the last working day of the quarter and reported wages in the quarter (for all agencies, not just NM), a \$4.30 flat fee will be reported for each employee and totaled for all employees for that client.

Exceptions:

- In cases in which the only employees are domestic servants, real estate sales people, or farm and ranch laborers, unless the business elects coverage for these employees, \$0.00 should still be reported.
- In some circumstances, an executive employee of a corporation or a limited liability company may choose to be exempt from coverage under the company's policy. If an executive is exempt from the policy, the \$4.30 fee should not be reported. However, even if \$0.00 is reported, the employee still counts toward the threshold of three. If this threshold is met, the \$4.30 fee is required to be reported for each of the other two employees.

If there are fewer than three employees:

- If the business had fewer than three employees who were employed on the last working day of the quarter and reported wages in the quarter (for all agencies, not just NM), \$0.00 will be reported for each employee and totaled for all employees for that client.

Exceptions:

- All construction industry employees are required to report the \$4.30 fee, regardless of the number of employees of the business.
- Even if a business has fewer than three employees and is not required to have coverage, it may still elect to have workers' compensation coverage. If a business has chosen to have coverage, the business must pay the \$4.30 fee per employee.

New York Employers

Prevailing Wage Requirement

Contractors and subcontractors working on a public works contract must report the prevailing wage rate and supplemental rate for the particular job classification(s) that the worker performs. This information must be reported on the worker's pay stub. The prevailing wage rate and supplemental (benefit) rate are separate amounts and must be listed on the pay stub separately. The worker's classification description may be abbreviated on the pay stub if it is clear.

In addition, the contractor/subcontractor must notify all workers in writing, on their first paycheck at the beginning of the contract and with the first paycheck after July 1 of every successive year the following:

- The number and address of the public works department
- The worker's right to contact that department if at any time the worker does not receive the proper prevailing wage or supplemental rate for the job classification

The New York State Department of Labor assesses the contractor or subcontractor a fine of up to \$50.00 for a first violation, \$250.00 for a second violation, and \$500.00 for each subsequent violation.

New York Metropolitan Commuter Transportation Mobility Tax

The New York State Department of Taxation and Finance administers the transportation mobility tax for the Metropolitan Transportation Authority. The Metropolitan Commuter Transportation Mobility Tax (MCTMT) is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (MCTD). The MCTD includes New York (Manhattan), Bronx, Kings (Brooklyn), Queens, Richmond (Staten Island), Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester counties. To learn more about this tax requirement, refer to <http://www.tax.ny.gov>.

An update to this tax is expected April 1, 2012.

North Dakota Employers

North Dakota SUI employers with 25 or more employees must file Form SFN41263 and quarterly contribution and wage reports electronically. Any employer meeting the 25 or more employee requirement must submit all future filings electronically as well, even if the number of employees is reduced below 25.

Job Service North Dakota accepts electronic reports by several methods, including their Internet reporting tool UI EASY- <http://www.jobsnd.com/unemployment-business/ui-easy>.

Other electronic methods include magnetic tape, diskette, CD, and secure FTP. These methods require wage and employee information be submitted in a specific file format. Additional information regarding file formats and submissions may be found at <http://www.state.nd.us/jsnd/docs/ji/elecrtpt.pdf>.

Oklahoma Employers

Effective January 20, 2011, the Oklahoma Employment Security Commission has mandated that all employers with an assigned OESC identification number are required to electronically file quarterly unemployment tax and wage data via the agency website at <https://eztaxexpress.oesc.state.ok.us>. Paper submissions will be accepted for employers without an assigned identification number only.

Pennsylvania Employers

Non-Taxpay[®] Clients

The Pennsylvania Department of Revenue no longer accepts paper remittances for certain filers, and therefore Paychex will not be able to provide you with agency-ready quarterly returns for you to sign and file. Instead, we provide a facsimile sample copy return for you as part of our service. Please note the facsimile sample copies are for reference purposes only and are not file-ready.

Use this facsimile to report information by enrolling on e-TIDES to file PA-W3 returns through the Internet-based e-TIDES filing system (you may have already registered). Enter the information provided on your Paychex facsimile return into e-TIDES. Instructions for Internet registration and filing can be found at www.etides.state.pa.us.

Act 32 Local Earned Income Tax Reporting Changes

The Act 32 requirements effective January 1, 2012 mandate that all employers require every new employee to complete a certificate of residency form, which is used as an addendum to the federal Form W-4. Employers are also mandated to require a new certificate of residency form for any employee that changes their address or domicile. The certificate of residency form provides information to help identify the political subdivisions (PSD) where an employee lives and works.

If an employee address change results in a new resident political subdivision, the local setup for that employee **must** be changed to ensure compliance with Act 32.

Employers are required to withhold local earned income tax at the higher of the employee's total resident rate where they live, and the non-resident rate where they work. Each political subdivision has its own rates and PSD code. Additional information regarding Act 32 can be found at <http://www.newpa.com/node/6710>.

Rhode Island Employers

Non-Taxpay[®] Clients

The Rhode Island Division of Taxation requires employers with 25 or more employees to file contribution returns (Form TX-17) electronically in addition to the electronic filing of wage reports.

Paychex files Rhode Island wage detail information for all mandated employers on magnetic media.

- ❑ If you employ 25 or more employees, you are required to file your contribution return Form TX-17, Quarterly Tax and Wage Report, electronically through the Rhode Island website. Additional information regarding electronic filing requirements is available at the Rhode Island website at <https://www.ri.gov/taxation/tx17/>.

Utah Employers

Utah Tax Commission

Non-Taxpay[®] Clients

The Utah Tax Commission has a quarterly filing requirement, Form TC-941. Paychex will provide you with an agency-ready return for you to sign and file, as well as copies of the return for your records, on a quarterly basis. You can remit the agency-ready return provided, or use the information on the return to file online at <http://www.tax.utah.gov/withholding/>. The Tax Commission no longer accepts magnetic media filing of any kind.

Utah Department of Workforce Services

Non-Taxpay[®] Clients

All Utah reimbursable employers must file Form 794, Utah Department of Workforce Services Insured Employment and Wage Report (or Form 794N, Utah Department of Workforce Services Non-Insured Employment and Wage Report). This form is filed in place of Form 33H, Utah Employer Quarterly Wage List and Contribution Report.

1. Transfer the information from the Paychex "Multiple Worksite Report" to the state- provided return.
2. Make a copy of the completed form for your files.
3. Sign the return and mail it along with Form 33HA, Utah Employer Quarterly Wage List Continuation Sheet, on or before the due date:

Utah Department of Workforce Services
Unemployment Insurance
140 East 300 South, PO Box 45288
Salt Lake City, UT 84145

Vermont Employers

Employers with more than four employees will be 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 \$113.03.

- Report the number of uncovered FTEs to your payroll contact.

Note: Additional information regarding the health care contributions is available at the Vermont Department of Labor website at <http://www.labor.Vermont.gov>.

Washington Employers

Washington Employment Security, as well as Washington Labor & Industries, requires that the number of hours worked by all employees (including salaried employees) be reported. Washington Employment Security also requires the social security numbers of all employees to be reported. Returns filed without this information are subject to penalty.

- Review the last timesheet from your payroll package for missing or incorrect SSNs.
- If you are new to Paychex this quarter, verify the number of weeks worked that is listed for each employee on the timesheet
- Report any missing or incorrect information to your payroll contact.

Washington Employment Security Forms 5208A and 5208B are required to be scanned by the agency; therefore, it is imperative that only the file-ready copy be mailed to the agency. Please do not fax, copy, or make any changes to the file-ready form or file the reference copy; this could affect the ability to scan the form and could result in penalties.

West Virginia Employers

Non-Taxpay[®] Clients

The West Virginia State Tax Department requires Form WV/IT – 101Q (a quarterly reconciliation) to be filed. This return must be filed by all employers on or before the last day of the month following the end of the quarter.

- ❑ If you have 250 or more employees, you must file your Form WV/IT – 101Q online at <https://mytaxes.wvtax.gov>. If you are required to file electronically but file on paper, you may be assessed a penalty of \$25.00 per employee.

Notify your payroll contact if your employees are subject to one or more of the following fees:

Employees Who	Fee per Week	Employers Were Notified By
Work in Huntington	\$3.00	the Division of Finance
Physically report to the Charleston location	\$2.00	the City Collector's Office
Work in Weirton	\$2.00	the Division of Finance
Work in Fairmont	\$2.00	the Division of Finance
Work in Parkersburg	\$2.50	the City Collector's Office

Employers who file a quarterly return for 250 or more employees must file electronically at <https://mytaxes.wvtax.gov>. Employers who are required to file electronically but fail to do so are subject to a penalty of \$25.00 per employer.

Wisconsin Employers

Non-Taxpay[®] Clients

The Wisconsin Department of Workforce Development requires Contribution Form UCT-101 and Quarterly Wage Detail Reports Form 7823 to be filed electronically for all employers with 25 or more employees. In addition, payments are required to be remitted electronically.

- ❑ If you have 25 or more employees, you must file your contribution and wage forms and payments online at <http://www.dwd.state.wi.us/uitax/>. Failure to file electronically will result in penalties.

The Wisconsin Department of Workforce Development was required to borrow funds from the United States Treasury in order to pay Unemployment Insurance benefits. Until the federal loan is fully paid, Wisconsin will pay interest on the outstanding balance. Wisconsin is currently estimating that the loan will be paid off by the end of 2014. Consequently, employers can expect an annual special assessment for interest for 2012, 2013, 2014.

Wyoming Employers

The Wyoming Employer Tax Division requires that wage information be reported separately on the Wage Detail Return, WYO-078. The return is divided into two sections: regular employee information at the top and corporate officer information at the bottom.

- Provide your payroll contact with the name of any employee who is a corporate officer to ensure that your quarterly return is prepared correctly.