

OURERC A LOCAL BUSINESS NEWSLETTER

Powered by Employer's Resources of Colorado



Open Enrollment is in full swing! If you haven't reserved a date for your company's open enrollment meeting please do so promptly.

Have questions about open enrollment? Contact our highly skilled benefits team:

Kelly Felix: kfelix@erccolorado.com

Sarah Russell: srussell@erccolorado.com

719-448-9009

Open Enrollment will run from November 1st - December 15th.

Please Plan Accordingly: Holiday Hours

With holiday season quickly approaching, please ensure that you have discussed payroll deadlines with your payroll processor. There are various dates for bank closures that will need to be taken into consideration when running payroll. It is also important to keep in mind any off-cycle payrolls, such as holiday bonuses. Below is a list of ERC holiday hours. If you have any questions, please contact your payroll specialist in the ERC Payroll department.

Veteran's Day

November 10th—Banks will be closed in observance of Veteran's Day. **ERC will be open for business.**

Thanksgiving Closings

November 23rd and 24th—ERC will be closed in observation of the Thanksgiving Holiday.

Christmas Closings

December 22nd and 25th—ERC will be closing at 12pm on Friday, December 22nd and closed all day Monday December 25th in observation of the Christmas Holiday.

New Year's Closings

December 29th and January 1st—ERC will be closing at 12pm on Friday, January 29th and all day Monday, January 1st in observation of the New Year's Holiday



Discretionary vs Non-Discretionary Bonuses

It is almost bonus time for many employers and that means navigating the difference between discretionary and non-discretionary bonuses.

A discretionary bonus means that the bonus is not tied to anything contractual—it is given solely at the discretion of the employer; the amount, the requirements, and the timing are not disclosed in advanced. To determine what the tax liability is for

discretionary bonuses, contact for payroll specialist for an accurate calculation.

A non-discretionary bonus can be thought of as an incentive payment. It is a bonus that is tied directly to a contractual agreement or is related to work completed. This kind of bonus must be taken into account for overtime and is required to be taxed at the W-4 rate.

All bonuses are subject to all federal taxes.

If you are concerned about bonus amounts for employees, please contact your payroll specialist to help you accurately calculate the tax rate and take home amounts. If you would like to ensure that your employees receive a specific amount of 'take-home' bonus pay, your payroll specialist can also assist you in determining the total pre-tax amount

that should be paid.

For more information regarding IRS regulations on supplemental wages, check out this website:

https://www.irs.gov/publications/p15#en_US_2017_publink1000202352



Congratulations to Payroll Specialist, Angela Lawson for earning her Fundamental Payroll Certification (FPC) and always striving to uphold the Payroll Department's Commitment to Excellence!



Exempt W-4 Status Employees

For most people, W-4 elections will roll over from year-to-year unless the employee completes a new form with different deductions. However, for those employees who claim "Exempt" on their W-4, they are required to complete a new form every year. If they fail to complete new forms, the IRS requires employers to automatically default their

filing status to "Single and 0" **which is the highest tax deduction possible.**

The 2018 W-4s are not yet available, but all clients will be notified once they are.

Please inform your employees of this requirement and contact your payroll processor if you have any questions or need further details.

Bonus Check Procedures

In an effort to streamline the distribution of bonus checks, we ask that you provide us adequate time to process these funds and calculate the individual checks correctly.

Please allow us a minimum of three business days prior to the check date to process all bonus checks in order to engage in an error free process.

Please keep in mind that if you intend bonus checks

to be reflected on 2017 taxes, the checks must be processed and dated with a 2017 date; we cannot backdate a check.

If you plan to distribute bonus funds without processing them through ERC, we cannot process them for tax purposes.

Thank you in advance for your assistance in this process.

If you have any questions please contact your payroll processor.

New IRS Guidance on ACA Employer Shared Responsibility Assessments

On November 2, 2017 the Internal Revenue Service (IRS) issued new guidance in regards to Employer Shared Responsibility assessments under the Affordable Care Act (ACA). The guidance indicates that the IRS plans to issue ACA employer assessments in the next few weeks for tax year 2015. This will be the first time the IRS will be issuing ACA employer assessments since mandatory ACA reporting

for Applicable Large Employers (ALEs) started. An ALE is an employer with an average of 50 full-time employees during the previous calendar year.

The IRS plans to issue Letter 226J informing ALEs of potential shared liability before the end of the 2017 calendar year. Once the letter is received, ALEs have 30 days to respond to the notice.

If your organization receives one of these

letters, you must submit it to Kelly Felix at ERC immediately in order for any disagreements or responses to be submitted. If your organization does not submit the letters to ERC to formulate a response, the IRS will assess the amount the proposed Employer Shared Responsibility payment shown on Letter 226J and will issue a Notice and Demand of Payment.

If you have any questions regarding this new IRS guidance, please contact Kelly Felix at kfelix@erccolorado.com or at 719-448-9009.

For further details directly from the IRS, you can refer to their FAQs at:

<https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act>

Winter Weather Preparedness—Don't Get Caught in the Cold

One day it's 80 degrees and you're wearing a T-shirt, the next it's below freezing and you're looking outside at snow on

the ground. As Coloradans, we know that winter weather can sneak up on us in no time, but do we all know how to prepare?

We care that you are ready for wintry conditions, so follow these tips to help you, your

employees and your family stay safe and warm this winter season.

Prep your vehicle

- Get your car serviced.
- Create an emergency kit. Brush up on your winter driving and defensive driving skills.
- Install a car phone charger.
- Make sure you're making wise driving decisions. When in doubt, don't go.
- Keep an energy bar or snack mix handy.
- Throw in an extra blanket and winter jacket. Sign up for email/text alerts from CDOT. Download the CDOT Mobile App.

Prep yourself

Visit one of the many retail outlets around Colorado to get yourself some cold-weather gear. Gloves, hats, boots, footwear,

traction devices and sunglasses or goggles should be used to help protect yourself from the hazards that come with winter weather.

Prep your workplace

Revisit your winter footwear policies and remind employees about the risks of slips, trips and falls.

- Do what you need to do to make sure walkways are clear and safe for employees.
- Educate your employees about hypothermia. All it takes is for your body temperature to fall below 95 degrees!
 - Encourage employees to wear layers of clothing — base, middle, and outer shells — to help ensure that they are at homeostasis.

A common injury that occurs in the winter months is carbon monoxide poisoning. Be sure you know how to use temporary space heaters and keep your vehicle

exhaust from accumulating inside the vehicle.

<https://www.pinnacol.com/news/its-colorado-winter-weather-preparedness-week>

Tax Tips from the IRS—Victims of Domestic Abuse Should Know Their Rights

[Domestic abuse](#) often includes control over finances. An important part of managing finances is understanding one's tax rights. Taxpayers have the right to expect the IRS to consider facts and circumstances that might affect the individual's taxes.

Taxpayers have the right to:

- File a separate return even if they're married.
- Review the entire tax return before signing a joint return.
- Review supporting documents for a joint return.
- Refuse to sign a joint return.
- Request more time to file their tax return.
- Get copies of prior year tax returns from the IRS.

Seek independent legal advice.

Innocent Spouse

Taxpayers also have the right to request relief from the liability shown on a joint return. This is known as innocent spouse relief. Here are a couple of examples:

Example 1:

- A taxpayer signs a joint return with their spouse.
- The taxpayer thought their spouse paid all taxes due.
- The IRS contacts the taxpayer because the taxes shown on the joint return were not paid.

Example 2:

- The taxpayer signs a joint return with their spouse.
- The taxpayer didn't know about their spouse's unreported income or erroneous deductions.
- The IRS adjusted the taxes due because of their spouse's improper items.

To apply for Innocent Spouse Relief, a taxpayer fills out [Form 8857](#), Request for Innocent Spouse Relief.

Injured Spouse

A taxpayer is considered an injured spouse if their share of overpayment on their joint tax return was or is expected to be applied against their spouse's past-due federal debts. These debts can include federal debts, state taxes, child support, and spousal support payments.

Taxpayers considered an injured spouse may be entitled to receive a refund for their share of the overpayment.

Here is an example of when a taxpayer would be considered an injured spouse. In this case, both of these apply to the situation:

- The taxpayer filed a joint tax return with their spouse.
- The entire refund was applied to the spouse's back child support.

Taxpayers use [Form 8379](#), Injured Spouse Allocation, to compute their share of a joint tax refund.

More Information:

[Publication 504](#), Divorced or Separated Individuals

[Taxpayer Bill of Rights](#)

[Publication 971](#), Innocent Spouse Relief