San Diego Chapter American Payroll Association Newsletter   - Fall 2014

"Autumn is a second spring when every leaf is a flower."

— Albert Camus

Social Security Wage Base Projection is Released

Social Security Administration has issued its annual mid-year projection for the estimated social security wage base limit for calendar year 2015.The SSA provides three estimates--high, intermediate and low. The projections reflect an increase to $119,100 for the intermediate and high cost estimate and $119,400 for the low cost estimate. For a copy of the full report click http://socialsecurity.gov/OACT/TR/2014/

OCSE Updates Child Support Withholding Order

The federal Office of Child Support Enforcement (OCSE) has updated the <u>Income Withholding For Support</u> form. The changes include:

- Updated hyperlinks: OCSE updated hyperlinks to provide the current OCSE web pages.

- Standard references: Terms were made standard, such as "Remittance ID" for "remittance identifier", and legal citations all appear in similar fashion.

- Larger font and more lines for state-specific information: States were accommodated by increasing the number of lines for state-specific information. Font was enlarged to improve readability. These and other changes resulted in the addition of 1 page in the total number of pages of the IWO form.

- Non-employee withholding limits: Language was added to the Remittance information section on page 2 that directs employers/income withholders to Supplemental Information on page 3 for withholding limits for non-employees. This information also appears on the State Income Withholding Contacts and Program Information matrix on the OCSE website.

- Standard headers: The headers on pages 2 – 4 were updated so they contain all of the same information, which includes employer name and FEIN, employee name and SSN, child support agency case identifier, and order identifier.

- Withholding Limits on Tribal Orders: OCSE clarified that tribal law governs withholding limits for tribal orders.

- Instructions to issue one IWO form for each IV-D case: Guidance is provided in the instructions to the form that one IWO form must be issued for each IV-D case as defined in 45 CFR 305.1.

States should begin using the form immediately but the OCSE is allowing time for programming changes. Employers should honor previous forms for new income withholdings until July 31, 2015. The new form expires on July 31, 2017.

More information can be found here: http://www.acf.hhs.gov/programs/css/resource/income-withholding-for-support-form

IRS ADDRESSES REFUNDING ADDITIONAL MEDICARE TAXES

It is not uncommon for employers to over withhold Additional Medicare Taxes from employee wages and therefore must issue a refund to that employee. The IRS has issued formal guidelines for this scenario. Depending on the timing of discovery, there are various actions that must be taken.

Discovery in the Same Quarter

If the over-withholding is discovered before the employer files Form 941 for the quarter when the error was made, and if the employer returns the amount over-collected to the employee before that Form 941 is due, then the employer does not have to report the over-withheld amount on Form 941. However, the employer must keep detailed records of the repayment to the employee.

Discovery in Different Quarter, but the Same Calendar Year

If the over-withholding is discovered after the employer files Form 941 for the quarter when the error was made, but is still within the same calendar year as the error was made, the employer can still return the amount over-collected to the employee. Again, the employer must keep detailed records of the repayment to the employee, and the repayment must be made before the end of the calendar year when the error was made.

Repaying the Employee

If employers repay over-collected Additional Medicare tax by reducing future tax withholdings, it must be done within the same calendar year as the over-collection occurred. Detailed records of the repayments must be kept.

Form 941-X allows employers to report an interest-free adjustment for overpayment of Additional Medicare Tax after the employer discovers the over-collection and repays the employee in the same calendar year that the error occurred. On Form 941-X, employers may report that employees have been repaid for Additional Medicare Tax over-collected, as well as reporting both employee and employer portions of Additional Medicare Tax.

Employers can file claims for refunds for Additional Medicare Tax that was overpaid to the IRS but not withheld from the employee. Refunds of overpayments can be claimed by employees who file Form 8959, Additional Medicare Tax, or with Form 1040. If the error is discovered after the employee's personal Form 1040 is filed, the employee should file an amended Form 1040X to claim the refund.

CONUS per diem rates released for fiscal 2015

Some of the continental United States (CONUS) per diem rates will change for fiscal year 2015. The Government Services Agency (GSA) establishes the per diem rates for the United States, which are the maximum allowances that federal employees are reimbursed for expenses incurred while on official travel. The CONUS per diem rate for an area is actually three allowances: the lodging allowance, the meals allowance and the incidental expense allowance.

The Per Diem Bulletin updates the maximum per diem rates in existing per diem localities, and adds two new non-standard areas (NSAs): Kayenta, AZ (Navajo County), and San Angelo, TX (Tom Green County). Elmore County, ID is now included with the Sun Valley, ID NSA location. The Middlebury, VT (Addison County) NSA has been combined with the Burlington/St. Albans, VT (Chittenden/Franklin Counties) NSA. Finally, the Manhattan NSA has been renamed New York City, which more accurately recognizes that GSA no longer sets rates for individual New York City boroughs as had been done in the past.

The standard CONUS lodging rate will remain unchanged in FY 2015 at $83. The meals and incidental expense tiers also remain unchanged for FY 2015 and range from $46-$71. The per diems will be reproduced in a future Report at ¶795. The 2015 highlights and state by state per diem rates can also be located at: http://www.gsa.gov/portal/content/103168 and http://www.gsa.gov/portal/content/102886.

Roasted Acorn Squash with Mushrooms, Peppers and Goat Cheese

Ingredients
- 2 acorn squash
- 2 tablespoons olive oil
- 1 1/2 teaspoons kosher salt
- 1 teaspoon freshly cracked black pepper
- Filling:
- 2 tablespoons butter
- 2 cups cabbage (core removed before slicing)
- 1 cup 1/4-inch-sliced sweet onion
- 1 red bell pepper, seeded and sliced in 1/4-inch julienne
- 1 yellow bell pepper, seeded and sliced in 1/4-inch julienne
- Kosher salt and freshly ground pepper
- 2 cups cremini mushrooms, cleaned and quartered
- 2 cloves garlic, minced
- 4 ounces crumbled goat cheese
- 2 tablespoons chopped fresh Italian parsley, for garnish, optional

Directions:

For the acorn squash: Preheat the oven to 375 degrees F. Trim the tops and bottoms off the squash. Cut in half horizontally so the cut-ends will keep the pieces flat. Clean the inside of the squash. Separate the seeds from the membranes and rinse well. Dry the seeds with a paper towel and set aside. Place the squash cut-side up on a baking sheet, drizzle with the olive oil and sprinkle with 1 teaspoon of the salt and the pepper. Place the seeds on a separate baking sheet or foil. Roast the squash 30 minutes. Roast the seeds at the same time, checking and moving them around after 10 minutes and again after 20 minutes. Depending on the size of the seeds, they may be done after 20 minutes, or up to 30 minutes. Sprinkle the seeds with the remaining salt, and set aside with the squash.

For the filling: Set a large sauté pan over high heat and add the butter. When melted, add the cabbage, onions, peppers, sprinkle with salt and pepper and gently toss to combine. Allow the cabbage to wilt down, about 5 minutes. Add the mushrooms and cook, 3 to 4 minutes. Add the garlic and toss to combine. Sauté 2 to 4 minutes longer and adjust the seasoning with salt and pepper.

For assembling: Preheat the broiler to low. Fill the roasted acorn squash halves with the filling. Sprinkle the crumbled goat cheese over the top and then top with the roasted squash seeds. Broil just until the cheese is warm. Garnish with a small amount of Italian parsley, if using, and serve.

Announcements:

National Payroll Week – September 1 – 5, 2014 Celebrate and spread the word!!

Join us at the next Chapter meeting ~ September 25, 2014 Topic will be Bullying in the Workplace. Information and registration can be found on the SDAPA website at http://www.sandiegochapterapa.org/events

September 20th – mark your calendars for a CPP/FPC Exam Boot Camp – visit http://www.sandiegochapterapa.org/ for more details

September 18th is Focus Day. The all-day seminar will take place in Santa Ana, CA. Information can be found at http://www.socalfocusday.org/

Don't forget to check out the Jobs board on the SDAPA website. Some great opportunities available!

Look for updates to IRS changes coming for 2015 by visiting the San Diego American Payroll Association's website periodically.

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Email the Chapter if you or someone you know might be interested in joining the team!