

August 2017 Government Liaison Report

The new I-9 form: What you need to know (Business Management Daily)

By Sept. 18, 2017, employers must use a new I-9 form, which replaces a version that only went into effect Jan. 23.

Tougher penalties for immigration-related offenses have been instituted:

- **Simple Form I-9 violations:** The minimum fine increases from \$110 to \$216 per violation. The maximum fine rises from \$1,100 to \$2,156 per violation. Fines for second and third offenses have increased similarly.
- **Unlawful employment of unauthorized workers:** For the first offense, the minimum fine increases from \$375 to \$539, while the maximum fine increases from \$3,200 to \$4,313 per worker. Again, there are similar increases for subsequent offenses.
- **Unfair immigration-related employment practices:** The minimum penalty increases from \$375 to \$445, while the maximum penalty increases from \$3,200 to \$3,563 per charge. For repeat offenders, the maximum penalty is \$21,563.

Web-enabled features

The January 2017 version of the I-9 was dubbed a "smart form" because it incorporated many web-enabled features, which the new form retains. For example, it responds when the employee chooses either "citizen," "lawful permanent resident" or "alien authorized to work" by altering the remaining questions to fit the chosen option.

In cases where more than one translator or preparer assists employees, the form will ask how many, and provide the necessary number of forms. Like the previous form, no field may be left blank; the employee must write or choose "n/a" for those fields.

Despite electronic features, I-9s must still be printed out. Both the employer's representative and employee must physically sign the printed document. Some companies that specialize in handling I-9 forms may have the proper electronic signature capability, but most employers do not. Once printed out and submitted, employers may scan the forms for electronic storage.

E-Verify rules are in constant flux. Are you in compliance? Do you know the changes you need to make in light of the new two-page I-9 form? Do your I-9 and E-Verify efforts work together ... or set you up for a lawsuit?

Form I-9 changes

The new form differs in small ways from the previous version. For example, instead of requiring the form to be completed by "the end of the first day of employment," the form simply must be filled out "the first day of employment." Where the old form asked for "other names used," the new form requests "other last names used."

More profound changes involve the list of documents employees may use to validate their working status. Other than Social Security cards, the new form's List C documents are completely renumbered from the last version.

When completing the form online, several new prompts appear to ensure the information is entered accurately. Another new feature is the ability for multiple preparers or translators to use the same form. Form designers have placed a dedicated space for additional information in an attempt to eliminate the margin notes that often adorned older versions. Preparers and translators must complete a supplemental page.

HOW TO COMPLY

Employers should familiarize themselves with the new I-9 now and begin using it before the Sept. 18 deadline. To ensure you are using the new form, check the bottom of the page. It should read "7/17/17N" not "11/14/16N."

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Expiring ITINs – The Internal Revenue Service began mailing letters this month to more than 1 million taxpayers with expiring Individual Taxpayer Identification Numbers and urges recipients to renew them as quickly as possible to avoid tax refund and processing delays. ITINs with middle digits 70, 71, 72 or 80 are set to expire at the end of 2017. (IRS)

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Planned Outage for all e-Service users; Impact to State e-file/TDS applications (IRS)

The IRS is in the final stages of a technology upgrade for e-Services. Please plan ahead as there will be some temporary use issues that will occur as we make this transition:

- There will be a complete outage of all e-Services tools, including Registration, Transcript Delivery System (TDS), and TIN Matching, from 6 p.m. EDT, Thursday, August 17, until 6 a.m. EDT, Monday, August 21. Applications also will be offline and resume August 22, except for state users. E-Services must be taken offline to complete the platform transition and to perform testing. This outage will affect all users, including bulk users such as IVES and TIN Matching.
- All State tax agency users will be unable to submit new e-file and TDS applications for state coordinators or change existing e-file and TDS applications for state coordinators from August 17 until late October. This temporary issue will not affect state access to transcripts. If there is a critical need to add or remove an individual from a state application, states may contact their IRS government liaison representative who will notify appropriate IRS personnel.
- Affordable Care Act Information Return (AIR) filers may resume submission of applications for Transmitter Control Codes starting on August 22. The application process for AIR users has been offline since July because of the e-Services platform transition.
- A redesigned e-Services landing page will launch August 21.

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Social Security Trustees Project \$130,500 Wage Base for 2018. On July 13, the Board of Trustees of the Social Security Trust Fund issued its annual report on the financial condition of the social security program. The report estimates that the social security wage base will be \$130,500 in 2018 (up from \$127,200 this year). (IRS)

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DOL Solicits Comments on 'White Collar' Salary Level, Duties Tests. The U.S. Department of Labor (DOL) published a Request for Information (RFI) in the *Federal Register* for the white collar exemptions to the overtime pay requirement. The RFI requests public comment, which will aid the DOL in revising the regulations that define the Fair Labor Standards Act's minimum wage and overtime requirements for certain employees. 82 F.R. 34616. (IRS)

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State and Local News (APA)

- **Idaho** – withholding guide and tables revised
- **Illinois** – additional cities and villages opt out of Cook County minimum wage, PSL ordinances; employee withholding allowance certificate revised; withholding tables revised, supplemental wage tax rate increased
- **Iowa** – UI taxable wage base increased
- **Kansas** – Forms W-2 and annual reconciliation returns filing deadline accelerated; withholding tables revised, supplemental wage tax rate increased
- **Louisiana** – nonresident disaster relief employees exempted
- **Maine** – tip credit capped
- **Minnesota** – Minneapolis minimum wage ordinance adopted
- **Nevada** – UI taxable wage base increased
- **New York** – Waterfront Commission assessment rate decreased
- **North Carolina** – IRC references updated
- **Oregon** – paid sick leave requirements clarified
- **Pennsylvania** – Philadelphia City Wage Tax rates reduced
- **Rhode Island** – wage deductions restricted
- **Washington** – UI taxable wage base increased