

September 2017 Government Update

Remember to Start Using New Form I-9 on Sept. 18

Employers are required to use the new version of the Form I-9 (dated 07/17/17) beginning Monday, Sept. 18. Current storage and retention rules have not changed....(SHRM)

APA's [Preparing for Year-End and 2018](#) provides you with the tools you need to close this year and move confidently into the next. You'll come away equipped with checklists and detailed procedures to ensure you meet payroll deadlines with ease. Choose from [Payroll](#), [Advanced Payroll](#), [Accounts Payable/Disbursements](#), [Government/Public Sector](#), and [Canadian Payrolls](#)....(APA)

Breaking News on EEO-1 Pay Data Collection!.....

On August 29, 2017, the EEOC announced that the Office of Budget and Management ("OMB") has initiated an immediate stay on the collection of pay data associated with Component 2 of the revised EEO-1 Report. The revised EEO-1 Report would have required employers to submit pay data in connection to their annual disclosure of data about employees' gender, race, and ethnicity. The OMB has initiated a review of the pay data collection aspects of the EEO-1 Form to assess its effectiveness.

Employers with 100 employees or more or employers with federal contracts valued at \$50,000 or more and with 50 or more employees are still required to complete Component 1 of the revised EEO-1 Report regarding race, ethnicity, gender, and job category by March 31, 2018. (Northern Colorado Human Resources Association)

California, Virgin Islands Apply for Benefit Cost Rate Add-on Waiver.....

California and the Virgin Islands have applied to the U.S. Department of Labor (DOL) for a Benefit Cost Rate (BCR; sometimes referred to as Benefit Cost Ratio) add-on waiver by the deadline. California and the Virgin Islands are on the DOL's updated list of potential Federal Unemployment Tax Act ([FUTA](#)) credit reduction states for 2017 [DOL, Potential 2017 Federal Unemployment Tax Act (FUTA) Credit Reductions, rev. July 2017]. States had until July 1, 2017, to apply for a waiver.

What Is BCR Add-on?

The BCR add-on is in addition to the 0.3% per year FUTA credit reduction (see [The Payroll Source](#)®, p. 7-8). The additional tax varies by state and is based on a complex calculation. The calculation compares the average benefits that have been paid out by the state, the taxable wages, and the average tax rate on taxable wages in the state.

Outstanding Loans

California and the Virgin Islands continue to have outstanding Federal Unemployment Account (FUA) loans, and, therefore, will likely be subject to a 2017 FUTA credit reduction. The credit reduction was also predicted in the spring, with the potential total credit reduction remaining 2.1% for California and 3.2% for the Virgin Islands unless it receives the BCR waiver.

Note that California may not have been subject to the BCR add-on for 2017. The calculation is based on the difference between a state's average total Unemployment Insurance (UI) benefits paid over the past five years and the state's average UI tax rate in the previous year. The calculation, using estimated wages, came out to zero for California because its average tax rate was greater than its average UI benefits for the past five years. However, the state applied for the waiver, "just in case."

Deadline For Credit Reduction

The final determination of FUTA credit reductions will not be made until the November 10, 2017, repayment deadline.

Pay News Now will continue to monitor any updates to the FUTA credit reductions...(Pay News Now)