

Department of Accounts

Payroll Bulletin

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the Payroll
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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at cathy.mcgill@doa.virginia.gov

State Payroll Operations

Director **Lora L. George**
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HIRE Act - for HIGHER EDUCATION ONLY

Hire Act Update As mentioned in Payroll Bulletins 2010-10 and 2010-12, the HIRE Act provides for an exemption of the employer portion of OASDI (Social Security) for qualifying employees hired under this Act. Effective tomorrow, June 30th, CIPPS will be enhanced to include the new FICA status code of '9' which must be used to eliminate the employer-paid OASDI. You must begin using a value of '9' for Hire Act-eligible employees beginning immediately for payments made with check dates **after 7/1/10**. Failure to use a value of '9' with the very *first* eligible payment will result in manual adjustments to the Form 941. While other new codes (2, 7, and 8) are available in the system, *they are not to be used*.

In addition, due to system constraints, whenever an employee with a FICA status of '9' has a **void check or manual payset** of any kind you must notify Denise Halderman at denise.halderman@doa.virginia.gov so that she can ensure the employee record is properly adjusted. Manual paysets include:

- Deduction Refunds/Adjustments.
- Tax Refunds/Adjustments.
- Earnings Reclassifications.
- Adjustments to any accumulated balance involved in the gross-to-net payroll calculation (with the primary exception of garnishments and child support).

To assist you in reconciling Hire Act actions, report writer reports will be available soon. Once they are activated we will announce them in an upcoming bulletin.

IRS Hire Act Webinar

IRS Hire Act Webinar The Internal Revenue Service is offering a **FREE** Webinar on the Hiring Incentives to Restore Employment (HIRE) Act on July 8, 2010.

Learn about:

- The HIRE Act payroll tax exemption and retention income tax credit for employers who hire previously unemployed workers.
- Who qualifies as an eligible individual for each benefit.
- What businesses may claim each benefit.
- How businesses can claim those HIRE benefits.

Earn Continuing Professional Education credit:

- Enrolled agents receive one CPE credit for participating for a minimum of 50 minutes from the start of the webinar. Other tax professionals may receive credit if the webinar meets your organization's or state's CPE requirements.
- To receive credit, you must attend the event offered on July 8, 2010. You must also register for the webinar using your e-mail address, and use the same e-mail address to log in to attend. This will confirm your attendance and generate your Certificate of Completion. Groups will not receive individual certificates as attendance cannot be verified.
- *Only July 8, 2010 participants will receive certificates. If you do not need a certificate to obtain CPE credit, you may choose to view the archived version of the webinar after July 8, 2010.
- Look for your Certificate of Completion by e-mail approximately one week after the webinar. If you have met all requirements, you will receive your certificate automatically.

Register on-line at:

<http://www.visualwebcaster.com/IRS/69705/reg.asp?id=69705>

General information:

- Visit www.irs.gov and search Webinars for information on other programs available.
- If you experience difficulty viewing the event, please use the e-mail option on the event page or call 866-956-4770.
- The event will be archived for later viewing, approximately two weeks after the date of the event, on the new IRS Video Portal.

Sponsored by: IRS Small Business/Self Employed; Communications, Liaison and Disclosure

Mandatory Direct Deposit

Mandatory Direct Deposit The following agency is to be commended for mandating direct deposit for the entire agency:

- State Board of Elections
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Mayor's Summer Youth Program

Taxable Wages

Guidance was recently provided by DHRM concerning young people hired through the Richmond Mayor's Summer Youth Program. Please note that payments made to these students are considered taxable wages, regardless of whether payment is called a "stipend" and paid in lump-sum fashion or set up as an hourly wage. W-4s and VA-4s should be completed and submitted by all participants and the applicable FIT, SIT and FICA taxes should be calculated and withheld through the payroll system so that W-2s may be produced as required by the IRS.
