***Department of Accounts***

***Payroll Bulletin***

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| **Calendar Year 2021** | **April 20, 2021** | **Volume 2021-03** |

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| *In This Issue of the Payroll Bulletin…....* | * VCSP Tuition Track Portfolio * VEC Quarterly Filing Reminders * Electronic Payments for KY and DC Withholding Taxes * Minimum Wage Increase * WV Martial Status on H0ATX | The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please email payroll@doa.virgina.gov  State Payroll Operations  **Director Cathy McGill**  Assistant Director Carmelita Holmes |

**VCSP Tuition Track Portfolio**

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| **VCSP TTP** | In February the Virginia College Savings Plan announced a new savings option called Tuition Track Portfolio. A new deduction has been added to accommodate contracts received for payroll deductions for this new plan. 047, VCSP TTP has been added for use by each agency. |

**VEC Quarterly Filing Reminders**

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| **Web Upload** | The VEC “EZform” method of filing quarterly wage reports with VEC is no longer available. VEC recommends that agencies use Web Upload for the standard quarterly report when there are no changes to what DOA has submitted for the agency. IFile is recommended for account maintenance. An email address is used to sign into Web Upload while IFile requires a UserID created at enrollment.  Regardless of which method you use, always use the Dummy record for 999-99-9999 with the agency payroll total. Keep in mind that the upload layout in Web Upload has to be created the first time so it will read the dummy record, but once created, it stays in the user’s profile.  If you need assistance when filing reports, please contact Tracy Hundley at 804-371-6049. |

**Electronic Payments for KY and DC Withholding Taxes**

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| **Effective May 1, 2021** | Effective with payroll certifications **beginning** May 1, 2021, paper checks for withholding state taxes for **Kentucky and the District of Columbia** will no longer be produced. Those agencies currently withholding income taxes for KY or DC have already been contacted to provide filing frequencies. If you remit employer withholding taxes for KY or DC and have not been contacted by DOA, please contact Cathy McGill at 804-225-2245 immediately. Also, please contact us if you find that you need to withhold Kentucky or District of Columbia taxes in the future.  ***Agencies are still required to reconcile and file periodic reports mandated by Kentucky and District of Columbia. Agencies will also continue to be responsible for sending copies of W-2s at CYE as DOA is only responsible for sending the tax payments.*** |

**Virginia Minimum Wage Increase**

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| **Effective May 1, 2021** | Per the Code of Virginia (§ 40.1-28.10), the minimum wage will increase for eligible employees from $7.25 per hour to $9.50 per hour effective May 1, 2021.  <https://www.doli.virginia.gov/wp-content/uploads/2021/04/Combined-Minimum-Wage-Notice-and-Update-Details.pdf> |

**West Virginia Marital Status on H0ATX**

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| **Review Employee Withholding Exemption Certificates** | In 2007 West Virginia revised their employee withholding certificates (WV/IT-104) to include a box that must be checked if employees meet certain criteria and wish to have their taxes withheld at a lower rate (line 5). If this box is not checked, then taxes are withheld according to a different table with a higher rate.  Unless a marital status of “5” has been entered on the West Virginia H0ATX record, CIPPS defaults to the tax table with the higher rates. Please review forms for all employees who have West Virginia tax records to ensure that the marital status in CIPPS has been updated for those who have elected to have their taxes withheld at the lower rates. |