



## GLO Report – November 2020

### *Internal Revenue Service:*

- Pandemic Related Tax Credits and Related Updates – for more information, please see: <https://www.irs.gov/coronavirus/coronavirus-tax-relief-for-businesses-and-tax-exempt-entities>
- IRS announced transitional relief for 2020 ACA Reporting.
  - Under section 6055 employers are required, as a provider of minimum essential coverage, to report coverage information by filing an information return with the IRS and furnishing a statement to individuals. The information primarily is used by the IRS to administer – and by individuals to show compliance with – the individual shared responsibility provision of the Affordable Care Act (ACA). If you provide health insurance coverage to your employees, no matter the size of your business, 1094-B will be completed for you. Form 1094-C is a requirement for Applicable Large Employers (ALE), or those with 50 or more full-time equivalent employees. **This deadline for furnishing forms to employees has been extended from February 1<sup>st</sup>, 2021 to March 2<sup>nd</sup>, 2021.** As a result, the IRS will not formally respond to any requests that have already been submitted for 30-day extensions of time to furnish statements for 2020.
  - While the timeline for furnishing forms to employees has been adjusted, there were no adjustments to the timeline for filing with the IRS. If filing on paper, you must have the information postmarked by March 1st, 2021. If filing electronically, employers have until March 31st, 2021.
  - The IRS notice also provides a final extension of transition relief from penalties for providing incorrect or incomplete information to reporting entities that can show that they have made good-faith efforts to comply with the Sections 6055 and 6056 reporting requirements for 2020. This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. The IRS is renewing the request for comments related to furnishing requirements under Sections 6055 and 6056. Unless comments are submitted that explain why this relief continues to be necessary, no relief related to the furnishing requirements under Sections 6055 and 6056 will be granted in future years. Comments must be submitted by Feb. 1, 2021.
  - **The IRS is removing the employer penalty for not furnishing form 1095-B to employees if 2 conditions are met:**
    - The reporting entity prominently posts a notice on its website stating that responsible individuals may receive a copy of their 2020 Form 1095-B upon request, accompanied by an email address and a physical address to which a request may be sent, as well as a telephone number that responsible individuals can use to contact the reporting entity with any questions; and

- The reporting entity furnishes a 2020 Form 1095-B to any responsible individual upon request within 30 days of the date the request is received. The reporting entity may furnish these statements electronically if it meets the requirements for electronic furnishing.
    - **\*\*\*This 2020 Section 6055 furnishing penalty relief does not extend to the requirement to furnish Forms 1095-C to full-time employees\*\*\***
- 2021 401(k) Limits - remain unchanged:
  - \$19,500
  - \$6,500 catchup
- 2021 HSA Limits Announced:
  - Individual Contribution \$3,600
  - Family Contribution \$7,200
  - Catchup remains at \$1,000
- 2021 Flexible Spending Account Limits remain unchanged.

***Department of Labor:***

- DOL Clarifies Who Is an Independent Contractor in Proposed Rule
- The U.S. Department of Labor issued a proposed rule today to clarify when a worker is an employee covered by the Fair Labor Standards Act (FLSA) or an independent contractor. Independent contractors, including many gig-economy workers, are not eligible for minimum wage, overtime and other benefits that employees must receive. [The proposed rule](#) adopts an "economic reality" test to determine a worker's status as an FLSA employee or an independent contractor.
- "Businesses want clarity and specificity with respect to their engagement of independent workers. We are hopeful that this rule will help ensure that worker classifications are accurate, reflect today's modern workplace, and accommodate the needs of employers and workers alike," said Emily M. Dickens, Society for Human Resource Management (SHRM) corporate secretary, chief of staff and head of government affairs. "SHRM looks forward to commenting on the proposed rule."
- There will be a 30-day comment period from the time of the proposed rule's official publication in the Federal Register.

***USICE / Department of Homeland Security:***

- Due to the pandemic, this organization announced that there will be flexibility allowed in the physical requirements associated with Form I-9 Documents for employers and operations that are working remotely. Originally put in place in March was set to expire in September but this has been extended. For more information, please visit: <https://www.uscis.gov/i-9-central/form-i-9-related-news/employment-authorization-document-ead-delays-due-to-covid-19>

## **OCSE (Child Support**

- OCSE Revises Multi-State Employer Registration Form for New Hire Reporting
  - The Office of Child Support Enforcement (OCSE) has posted a new version of the Multistate Employer Notification Form for New Hire Reporting on its website [[OCSE, Multistate Employer Registration Form & Instructions](#), OMB Control No. 0970-0166, Expiration date: 7/31/22, rev. 10/15/20].
  - **Background.** Employers are required to report all new hires to a state directory for comparison against a state registry of open child support cases to locate parents who have defaulted on their child support obligations. The report must contain the employee's name, address, Social Security number, and the date of hire (i.e., the date services for remuneration were first performed by the employee), as well as the employer's name, address, and federal employer identification number (FEIN).
  - Employers complete the Multistate Employer Notification Form for New Hire Reporting to identify/register their entity as a multi-state employer for new hire reporting. An employer may also file the form to indicate that it is no longer a multi-state employer.
  - Employers who submit this form no longer have to notify the Secretary of the U.S. Department of Health and Human Services in writing of their choice to report new hires to only one state.
  - The slight revision notes that OCSE will now accept work email addresses from Gmail, Yahoo, MSN, or Hotmail.

**Happy Fall & Happy Thanksgiving!!**

