



GLO Report – May 2022

Internal Revenue Service:

Standard Mileage Rate: Due to the increase in fuel prices, the IRS is increasing the mileage rate for reimbursement effective July 1, 2022 to 62.5 cents per mile, up from the current rate of 58.5 cents per mile. The IRS also announced an increase for vehicles used for medical or moving purposes to 22 cents per mile.

HSA Contribution limits for 2023 released:

	Minimum Deductible	Contribution Limit
Single Coverage	\$1,500	\$3,850
Family Coverage	\$3,000	\$7,750
Catchup (remains the same)		\$1,000

IRS issues [final ruling on Leave Based Donations for Ukraine:](#) Employer leave-based donation payments made by an employer before January 1, 2023, to section 170(c) organizations to aid victims of the further Russian invasion of Ukraine (qualified employer leave-based donation payments) will not be treated as gross income or wages (or compensation, as applicable) of the employees of the employer. Similarly, employees electing or with an opportunity to elect to forgo leave that funds the qualified employer leave-based donation payments will not be treated as having constructively received gross income or wages.

IRS encourages employers to utilize the [Work Opportunity Tax Credit](#) The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain [targeted groups](#) who have consistently faced significant barriers to employment.

WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers.

The Consolidated Appropriation Act, 2021 (Section 113 of Division EE P.L. 116-260) authorized the extension of the Work Opportunity Tax Credit (WOTC) until December 31, 2025.

[Notice 2021-43](#) [PDF](#), issued on August 10, 2021, provides transition relief by extending the 28-day deadline for employers hiring individuals who are Designated Community Residents or Qualified Summer Youth Employees who begin work on or after January 1, 2021, and before October 9, 2021, to submit a completed Form 8850 to the designated local agency (DLA) no later than November 8, 2021.

[Notice 2020-78 PDF](#), issued on December 11, 2020, provides transition relief for employers that hired certain individuals residing in empowerment zones by extending the 28-day deadline for employers who submit a certification request for an individual who began work between January 1, 2018, and December 31, 2020.

The certification of an individual as a Designated Community Resident under § 51(d)(5), or as a Qualified Summer Youth Employee under § 51(d)(7), requires that the individual reside within an empowerment zone.

Social Security Administration:

Social Security Administration Releases Equity Action Plan

The Social Security Administration released its first Equity Action Plan, supporting President Biden's whole-of-government equity agenda to advance equity, civil rights, racial justice, and equal opportunity for all.

On January 20, 2021, The President signed an Executive Order, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*. The Executive Order requires all Federal agencies "to pursue a comprehensive approach to advancing equity for all, including people of color and other people who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality."

"Social Security's programs touch the lives of nearly every American, providing income security for the diverse populations we serve, including people facing barriers, people with disabilities, people who are widowed, retirees, and their families," said Kilolo Kijakazi, Acting Commissioner of Social Security. "Systemic barriers may prevent people who need our programs the most from accessing them. Our Equity Action Plan will help to reduce these barriers and ensure people have access to our services."

Social Security's Equity Action Plan includes:

- Increasing collection of race and ethnicity data to help understand whether programs are equitably serving applicants and beneficiaries,
- Revising policies and practices to expand options for service delivery,
- Ensuring equitable access for unrepresented claimants in the disability application process,
- Decreasing burdens for people who identify as gender diverse or transgender in the Social Security number card application process, and
- Increasing access to research grant programs for Historically Black Colleges and Universities and Minority Serving Institutions and procurement opportunities for small and disadvantaged businesses.

To learn more about the actions outlined in the Equity Action Plan, please visit www.socialsecurity.gov/open/materials/SSA-EO-13985-Equity-Action-Plan.pdf. For more

information about efforts to redress systemic barriers in policies and programs to advance equity for all, visit www.whitehouse.gov/equity.

Social Security Trustees Project Wage Base for 2023

The Board of Trustees of the Social Security Trust Fund reports each year on the financial condition of the social security program. *The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, issued on June 2, includes both short- and long-term projections about the social security system.

Using the “intermediate” projections, the board projects the social security wage base will be \$155,100 in 2023 (up from \$147,000 this year) and will increase to \$218,400 by 2031. The formal announcement of the 2023 wage base will not come until mid-October.

The projections, which are only an indication of the expected trend, are based on social security program provisions in current law and do not take into account any changes in these provisions that might be made in the future.

Department of Labor:

Those employers that are required to file an EEO-1 report each year have a little more time to complete. The due date has been extended to June 21, 2022. For more information on the required filing, click [here](#).

Department of Justice:

The U.S. Department of Justice (DOJ) issued a final rule to adjust, for inflation, the civil penalties for violations of certain laws, including immigration-related laws. The final rule took effect when published. The new amounts apply to civil penalties assessed after May 9, 2022, whose associated violations occurred after November 2, 2015. For more information, please click [here](#).

Department of Education:

White House extends pause on student loan repayments until August 31, 2022.

Compliance Deadlines:

May 17, 2022 - EEO-1 Report due – has now been extended.

Office of Child Support Enforcement: has now released preliminary data for fiscal year 2021 and can be viewed [here](#).

DHS Secretary Designates Sudan for TPS: Secretary of Homeland Security Alejandro Mayorkas designated Temporary Protected Status (TPS) for Sudan, for 18 months, effective April 19, 2022, through Oct. 19, 2023. Sudanese nationals and individuals having no nationality who last habitually resided in Sudan may submit an initial registration application under the

designation for TPS for Sudan and apply for an Employment Authorization Document (EAD) during the 18-month registration period that begins April 19, 2022 and ends on Oct. 19, 2023. Once a TPS applicant receives their EAD with a Category Code of A12 or C19, they can present that EAD to employers as evidence of their identity and authorization to work.

Current TPS Sudan beneficiaries whose TPS is continued under a TPS related court order may file an initial application under this new designation, following the instructions in the Federal Register notice, to avoid possibly losing TPS or experiencing a gap in coverage if the court order no longer applies.

State Updates:

Alabama - Withholding tables revised. Effective for wages paid on or after 1-1-22, the Department of Revenue (DOR) issued updated withholding tables for employers to reflect changes to the standard deductions and dependent exemptions. Employers are advised to use the revised tables as soon as possible. The DOR will not require amendments to previous amounts withheld. The supplemental wage tax rate remains 5% [DOR, Notice, 5-2-22].

Connecticut – Effective 1-1-23, employers will no longer be required to report unclaimed amounts (including unclaimed wages) of less than \$50 in the aggregate.

Delaware: PFML program established. Beginning 1-1-25, applicable employers will be required to begin withholding and remitting employee contributions and paying employer contributions for a new paid family and medical leave (PFML) insurance program. Covered employers (defined as employers with employees working anywhere in Delaware that have employed 25 or more covered employees during the previous 12 months) will be subject to all parental, family caregiving, and medical leave benefit requirements. Employers with 10 to 24 covered employees during the previous 12 months will only be subject to the parental leave requirements. PFML program benefits will be funded by payroll contributions. Remittance and reporting will be required quarterly unless the Department of Labor requires a more frequent schedule. Employers will withhold and remit employee contributions. The employer and employee will each be responsible for 50%. For 2025 and 2026, a contribution rate of 0.8% of wages (0.4% for medical leave, 0.08% for family caregiving leave, and 0.32% for parental leave) will apply when the employer has 25 covered employees or more, with the covered employee and the covered employer each paying half (0.40%). Beginning 1-1-26, a covered individual will be eligible for a maximum of 12 weeks of PFML benefits in an application year. The maximum number of weeks during which benefits will be payable will be: 12 weeks in an application year for parental leave benefits and six weeks in any 24-month period for medical leave and family caregiving leave benefits [S.B. 1, L. 2022].

Georgia Local scheduling laws preempted. Effective 5-5-22, local government entities are prohibited from adopting, maintaining, or enforcing by charter, ordinance, regulation, rule, or resolution the hours or scheduling an employer is required to provide employees or to otherwise regulate employee output during work hours. Local government entities are still allowed to set and regulate hours, scheduling, and output for their own employees. The new law does not

prohibit local government entities from regulating or limiting the hours a business may operate [S.B. 331, L. 2022].

Hawaii IRC references updated. Effective retroactive to 1-1-22, references in state law to the Internal Revenue Code (IRC) have been updated to mean the IRC as amended and in effect on 12-31-21, with certain exceptions [S.B. 3143, L. 2022].

Oklahoma Employers permitted to mandate direct deposit, paycards. Effective 11-1-22, employers in the state may choose to pay all wages due to an employee via deposit on the payday at a financial institution of the employee's choice (e.g., direct deposit), or if the employee does not consent or designate a financial institution, to a payroll card account. Currently, an employer cannot require the use of paycards in Oklahoma, pursuant to an opinion letter issued in 2009 (Oklahoma Attorney General Opinion No. 09-31, 11-17-09). An employee can choose to use a paycard, but it must be voluntary [S.B. 1345, L. 2022].

Oregon Overtime pay requirements for agricultural workers established. Effective 1-1-23, agricultural workers must be paid overtime for all hours worked beyond 55 hours in a workweek. The threshold number of hours worked during the workweek after which overtime must be paid will be reduced to: 48 hours, effective 1-1-25 and 40 hours, effective 1-1-27. Workers will be entitled to 1½ times the worker's regular rate of pay for each overtime hour or portion of an hour that is worked in excess of the maximum allowable hours. For purposes of these requirements, a workweek means a fixed period of time established by an employer that reflects a regularly recurring period of 168 hours or seven consecutive 24-hour periods. A workweek may begin on any day of the week and at any hour of the day and need not coincide with a calendar week. Beginning with tax year 2023, the Department of Revenue will allow certain employer tax credits for agricultural overtime wages paid [H.B. 4002, L. 2022].

Tennessee

- E-Verify private employer threshold reduced. Effective 1-1-23, private employers with 35 employees or more must verify work authorization status of new hires through E-Verify. Currently, the threshold is 50 employees or more. The Office of Employment Verification Assistance will offer, at no charge, E-Verify sign-ups and work authorization status checks for employers with fewer than 35 employees. Larger employers will be required to pay the associated fees. Employers that use E-Verify will be protected if the employer acts upon false results generated by E-Verify. Additional information can be found on the Department of Labor and Workforce Development's Employment Verification webpage [H.B. 1853, L. 2021]
- Subminimum wage for workers with disabilities eliminated. Effective 7-1-22, employers must pay employees at least the federal minimum wage (currently \$7.25 an hour), regardless of whether an employee is impaired by age, physical or mental deficiency, or injury. In other words, employers will no longer be allowed to pay a subminimum wage under special certificate, as allowed under the federal Fair Labor Standards Act (29 USC §214) [H.B. 2078, L. 2022]

Utah Withholding tables revised. Effective for wages paid on or after 5-1-22, the Utah State Tax Commission (STC) has issued revised percentage method and wage bracket withholding tables to reflect a reduction in the personal income tax rate to 4.85% from 4.95%. The revised tables should be used from 5-1-22 and going forward. See Publication 14, Withholding Tax Guide, for additional information [STC, Tax Bulletin 07-22, 5-1-22].

Virginia – effective June 9, 2022, the requirements in West Virginia related to paying employee wages by direct deposit and paycards will change. Additional disclosures to employees will be required for paying employee wages via paycard—but written consent will no longer be needed for payment via paycard or direct deposit [S.B. 245, L. 2022]. If an employee does not identify the information necessary to enable payment via direct deposit (e.g., the identification of the employee’s financial institution, the type of account, and the account number), the employer may pay the employee via paycard.

Washington Paycards considered abandoned after one year under unclaimed property law. Effective 1-1-23, wages on payroll cards will be considered abandoned one year after the amount becomes payable. This aligns the requirements for payroll cards with the requirements for wages, which are also considered abandoned one year after the amount becomes payable. The law defines payroll card as a record that evidences a payroll card account as defined in Regulation E [S.B. 5531, L. 2022].

Local Updates:

New York NYC salary as defined under pay transparency law. Beginning 11-1-22, employers covered by the New York City Human Rights Law will be required to provide a salary range in each job posting under the pay transparency act (employers with four or more employees or one or more domestic workers). Although payroll professionals might not be in charge of posting job advertisements, they might be asked by HR or others to explain what payments are considered part of salary under the law. The pay transparency act defines salary to include the base annual or hourly wage or rate of pay, regardless of the frequency of payment. Salary does not include other forms of compensation or benefits offered in connection with the advertised job, promotion, or transfer opportunity, such as: health, life, or other employer-provided insurance paid or unpaid time off work, such as paid sick or vacation days, leaves of absence, or sabbaticals the availability of or contributions toward retirement or savings funds, such as 401(k) plans or employer-funded pension plans severance pay overtime pay or other forms of compensation, such as commissions, tips, bonuses, stock, or the value of employer-provided meals or lodging [NY Commission on Human Rights, Fact Sheets, Salary Transparency in Job Advertisements, rev.

