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| **IRS Increases FSA Carryover Amount to $550** The IRS raised the maximum carry over amount for health flexible spending arrangements (FSAs) from $500 to $550. This is a permanent change and the maximum carryover amount will now be based on the same inflation indexing used to determine the limit on salary reduction contributions under Section 125 cafeteria plans. Notice2020-33, 2020-22 IRB 868 The Payroll Source, 4.5**IRS link to Payroll Professionals Tax Center**This site has links to hot topics and other helpful information concerning worker classification, taxes, etc.<https://www.irs.gov/businesses/small-businesses-self-employed/payroll-professionals-tax-center-information-for-payroll-professionals-and-their-clients>**Reporting qualified Sick Leave and Family Leave wages under FFCR**[Notice 2020-54](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Flnks.gd%2Fl%2FeyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMTcsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA3MDguMjQxMDE0MTEiLCJ1cmwiOiJodHRwczovL3d3dy5pcnMuZ292L3B1Yi9pcnMtZHJvcC9uLTIwLTU0LnBkZiJ9.Ie5bhtXhi4Gq_bgEgDus4vLQ-Hvj-HcvgNEXLe9CVkI%2Fs%2F965467630%2Fbr%2F80824052880-l&data=01%7C01%7Cdgreer%40vaco.com%7Cb6ad74b5c94f4c6d2f8008d82382573f%7C120aeae9286f438abbf3de3ab96fcf5d%7C1&sdata=iCQfkpaom5xQi7PxrDfQume9Gsnm92Zd2ID9V4ls9JU%3D&reserved=0) provides guidance to employers on the requirement to report the amount of qualified sick leave wages and qualified family leave wages paid to employees under the Families First Coronavirus Response.  Employers are required to report these amounts either on Form W-2, Box 14, or on a separate statement.  This required reporting provides employees who are also self-employed with information necessary for properly claiming qualified sick leave equivalent or qualified family leave equivalent credits under the Families First Act.**2020 Federal Updates**Effective from April 1, 2020, to Dec. 31, 2020, qualified paid sick leave is available for up to 80 hours to an employee who cannot be at a worksite in person or telework because that employee is experiencing at least one of six conditions related to actual or suspected coronavirus infection, coronavirus-related quarantines, or caring for a family member. Also during that nine-month period, qualified family leave for up to 12 weeks, of which up to 10 weeks involve required paid leave, is available to employees who cannot be at their worksite in person or telework because they need to care for at least one of their children who because of the coronavirus outbreak cannot access their school or child-care services.<https://news.bloombergtax.com/payroll/many-2020-federal-updates-affecting-payroll-process-speakers-say>**IRS – Taxpayers to resume payments by July 15**WASHINGTON – The IRS today reminds taxpayers who took advantage of the People First Initiative tax relief and did not make previously owed tax payments between March 25 to July 15 that they need to restart their payments.As the IRS continues to reopen its operations across the country, taxpayers who were in payment agreements and skipped any payments from March 25 and July 15 should start paying again to avoid penalties and possible default on their agreements.“Through the People First Initiative, we have endeavored to provide unprecedented relief to help those who owed federal taxes and allow them extra time,” said IRS Commissioner Chuck Rettig. “As we resume a phased-in approach to our normal operations, we are sympathetic to the many Americans still suffering COVID-related hardships and stand ready to continue offering help to those who need it.”**IRS – The CARE Act**The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) allows employers to defer the deposit and payment of the employer's share of Social Security taxes and self-employed individuals to defer payment of certain self-employment taxes.  These FAQs address specific issues related to the deferral of deposit and payment of these employment taxes. These FAQs will be updated to address additional questions as they arise.<https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020#:~:text=Self%2Demployed%20individuals%20may%20defer,and%20ending%20December%2031%2C%202020.> Electronic Version with hyperlinks available on the monthly Chapter Meeting Minutes |

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