



COMPLEX U.S. PAYROLL ISSUES I

*Presented with the cooperation of
the American Payroll Association*

Employee vs. Independent Contractor Issues

- Worker classification
 - Employees
 - Independent contractors
 - Temporary agency workers
 - Leased employees
- Common law test
- Section 530 – reasonable basis test
- Statutory employees
- Statutory non-employees
- Misclassification of employees

Fair Labor Standards Act Issues

- Fluctuating workweek
- Compensable time issues
 - Travel time
 - Principal activities
 - Time not worked
 - Meal periods
 - Rest periods
 - Meetings and training sessions
- Health care FLSA exceptions
- Fire protection and law enforcement exception

Taxable/Non-taxable Compensation

- Special accounting rule
- Tip reporting, Form 8027 and tip allocations

Taxation of Employer-Paid Benefits

- Tickets to entertainment and sporting events
- Aircraft
- Memberships
- Meals and lodging
- Stipends
- Supplemental workers' compensation

- Conventions
- Cell phones
- Outplacement services
- Retiree group-term life insurance
- Educational assistance
 - Job-related
 - Non-job-related
- Leave sharing plans
- Sick/disability/third-party sick pay
- Back pay awards
- Director's fees
- Loans
- Gift cards
- Military differential payments

Benefits' Impact on Payroll

- ERISA
- COBRA
- HIPAA
- Cafeteria plans
- Dependent care assistance plans
- Deferred compensation plans
 - Defined benefit plans
 - Defined contribution plans
 - 401(k) plans
 - Roth 401(k) plans
 - Money purchase pension plans
 - Profit sharing plans
- Pension distribution rules

Federal Tax Reporting

- Form 941
- Form 1099-R
- Form 1099-MISC
- Form 945

Unemployment Insurance

- Federal unemployment tax
 - Form 940
- State unemployment insurance
 - Experience rating methods
 - Wage bases

Public Sector Employer Issues

- FLSA exception issues
- 457(b) plans
- 403(b) plans
- Election workers
- Jurors
- Elected officials
- Social security and Medicare taxes
 - Student FICA exception

Payroll Accounting

- Generally accepted accounting principles
- Accruals and reversals
- Allocation of benefits and payroll expenses
- Income statement and balance sheet
- Reconciling
 - General ledger
 - Benefits
- Employee benefit cost statements

Payroll Relationship Dynamics

- Team development
 - Stages
- Making your work relationships more effective
- Understanding how payroll fits into the business as a business partner
- Resolving conflict
- Communications
 - Within the payroll team
 - With upper management
 - With third parties
 - On compliance issues
 - Making recommendations

Where to Go for Information

- Agency resources
- Research tools