Social Security *News*

Employer news from the Alaska Division of Retirement and Benefits

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REMINDER:

State and political subdivisions of the state (government entities) are not subject to the Federal FUTA tax (form 940) for employees of the government entity.

New Voluntary Settlement Program Announced by IRS

Past Payroll Tax Relief Provided to Employers Who Reclassify Workers as Employees

The Internal Revenue Service recently launched a program that will enable many employers to resolve past worker classification issues and achieve certainty under the tax law at a low cost by voluntarily reclassifying their workers. This new program will allow employers the opportunity to get into compliance by making a minimal payment covering past payroll tax obligations rather than waiting for an IRS audit.

This is part of a larger “Fresh Start” initiative at the IRS to help taxpayers and businesses address their tax responsibilities.

To be eligible, an applicant must:

- Consistently have treated the workers in the past as nonemployees
- Have filed all required Forms 1099 for the workers for the previous three years
- Not currently be under audit by the IRS, the Department of Labor or a state agency concerning the classification of these workers

Interested employers can apply for the program by filing Form 8952, Application for Voluntary Classification Settlement Program, at least 60 days before they want to begin treating the workers as employees.

Full details, including FAQs, are available on the Employment Tax pages of IRS.gov, and in Announcement 2011-64 (PDF).

Provide Input on the Affordable Care Act

Public Input on Employer Provisions Sought by Treasury and IRS

The Treasury Department and Internal Revenue Service request public comment on a proposed affordability safe harbor for employers under the shared responsibility provisions included in the Affordable Care Act that will apply to certain employers starting in 2014.

Under the Affordable Care Act, employers with 50 or more full-time employees that do not offer affordable health coverage to their full-time employees may be required to make a shared responsibility payment. Notice 2011-73, posted today on IRS.gov, solicits public input and comment on a proposed safe harbor, designed to make it easier for employers to determine whether the health coverage they offer is affordable. To that end, Treasury and IRS expect to propose a safe harbor permitting employers that offer coverage to their employees to measure the affordability of that coverage by using wages that the employer paid to an employee, instead

of the employee's household income. This contemplated safe harbor would only apply for purposes of the employer shared responsibility provision, and would not affect employees' eligibility for health insurance premium tax credits.

Today's request for comment is designed to ensure that Treasury and IRS continue to receive broad input from stakeholders on how best to implement the shared responsibility provisions in a way that is administrable, allows flexibility, and minimizes burden. By soliciting comments and feedback now, Treasury and IRS are giving all interested parties the opportunity for input before proposed regulations are issued.

There are three ways to submit comments:

- Email to: Notice.Comments@irscounsel.treas.gov. Include "Notice 2011-73" in the subject line.
- Mail to: Internal Revenue Service, CC:PA:LPD:PR (Notice 2011-73), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.
- Hand deliver to: CC:PA:LPD:PR (Notice 2011-73), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC, between 8 a.m. and 4 p.m., Monday through Friday.

The deadline for comments is December 13, 2011.

Employer Conference Features Presentations by IRS and SSA

Continuing Professional Education Credits Available for Tuesday's Main Sessions

It's time to register for the Employer Conference and remember you can earn Continuing Professional Education (CPE) credits for attending all of the main conference presentations on Tuesday. Some featured conference sessions include:

Social Security Administration (SSA) Presentation

Tuesday, November 15, 8:30 a.m.

- 218 and Mandatory Social Security Reporting Employers
- Government Pension Offset (GPO)
- Windfall Elimination Provision (WEP)
- What if the SSN is No Good, How do I Process?

Internal Revenue Service (IRS) Presentation

Tuesday, November 15, 10:15 a.m.

- Employee/Employer Relationships
- Contractual Hires (of employee positions)
- Sports Officials
- Gaming
- Emergency Hires
- Charter Schools
- Employees Receiving both a W2 and 1099
- Retirement and Medicare Excluded Employees
- Rehired Retirees (included and excluded from Social Security)

If you have additional questions regarding SSA or IRS Presentations, please contact Kay Gouyton.

Register today for the Employer Conference. A complete agenda is available for you to review.

IRS Offers Guidance on the Tax Treatment of Cell Phones

Notice is Effective for All Taxable Years after December 31, 2009

Notice 2011-72 provides guidance on the tax treatment of cellular telephones or other similar telecommunications equipment (hereinafter collectively “cell phones”) that employers provide to their employees primarily for noncompensatory business purposes.

Notice 2011-72 (PDF) will be in Internal Revenue Bulletin 2011-38, dated September 19, 2011.

Reporting Employer Provided Health Coverage on Form W-2

Free Webinar Presented by the Internal Revenue Service on October 31, 2011

Learn about:

- What changes employees will see in their Form W-2 due to the coverage reporting
- When employers must begin reporting the cost of coverage on the Form W-2
- Transitional relief for certain employers, plans, and situations
- Which employers need to report the cost of coverage on the Form W-2
- How employers will report the cost of coverage on the Form W-2
- What valuation methods employers can use to determine the amounts to report on the Form W-2

This free webinar is for:

- Employers
- Tax Professionals
- Attorneys
- Payroll Professionals
- Industry Partners
- Small businesses

Register today for this webinar!

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The Audit Section operates under the guidance of IRS Publication 963 and the State & Local coverage Social Security Handbook, SSA Publication no. 16-055.

Please refer to IRS.gov and SSA.gov for additional information.

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