



Ring in the New Year 2021

HELLO

my name is

Vicki M. Lambert, CPP is President and Academic Director of The Payroll Advisor, a firm specializing in the training of payroll professionals. With over 40 years' experience as a payroll professional as well as over 30 years as a national trainer and published author, Ms. Lambert produces and presents payroll related webinars and webcasts to a vast client list across the country. She is also an adjunct faculty member at Brandman University conducting their payroll training programs including APA's PayTrain CPP/FPC study programs.

Ms. Lambert's website, www.thepayrolladvisor.com offers a subscription payroll news update service which keeps payroll professionals abreast of the changes on both federal and state levels.

Our Focus For Today

- Pension plan limits
- Federal per diem allowance
- Standard mileage rate
- Tax law changes
- Adoption benefits
- Transportation fringe benefits

IRS Update-
limits



- Tax charts
- Tax rates
- Federal holidays

IRS Update -
- Taxes



- Form 941
- Form W-2
- Form 940

IRS Updates-
-Forms



- Update to salary levels
- Student loans
- Wage hour updates

Federal
Update



- Minimum wage updates
- SUI wage base updates
- Sick leave updates

State
Updates



- OASDI wage base

SSA Updates



IRS Update



IRS Update-What We Will Cover



Pension Plan
Limits



Federal Per
Diem
Allowance



Standard
Mileage Rate



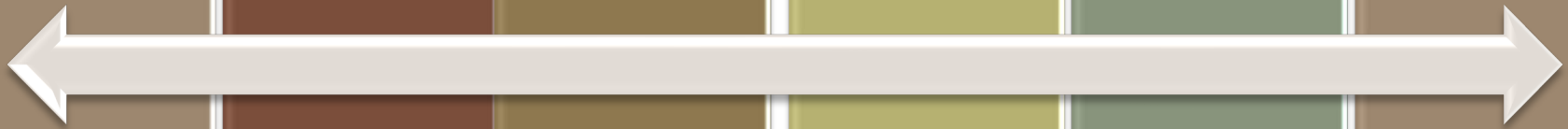
Tax Rate
Changes



Adoption
Benefits



Transportation
Fringe Benefits



IRS- Pension Plans for 2021

Elective Deferral limit 2021:
\$19,500

Catch up contributions limit 2021:
\$6,500

Defined Benefit Plan Limit for
2021: \$230,000

Defined Contribution Plans
limitation 2021: \$58,000

Annual compensation limit 2021:
\$290,000

IRS- Pension Plans for 2021

- ❖ Deferrals for Government Plans: \$19,500
- ❖ Highly Compensated Employee Limit: \$130,000
- ❖ SIMPLE Plan Employee Deferrals: \$13,500
- ❖ SIMPLE Catch-up Contributions: \$3,000
- ❖ SEP Coverage: \$290,000
- ❖ SEP Compensation Amount: \$650

IRS—Per Diems and FEIE 2021



Mileage Rate

- 2021 not yet released



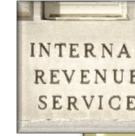
Per Diems

- Standard CONUS FY 2021 is \$151
- Lodging: \$96
- Meals & Incidental expenses: \$55



Foreign Earned Income Exclusion

- \$108,700



Delivery Services

- No anticipated changes for accepted delivery services by IRS

IRS Transportation Fringe Benefits-2021

- \$270

Transit
Passes



- \$270

Qualified
Parking



- No longer permitted under TCJA of 2017

Bicycles



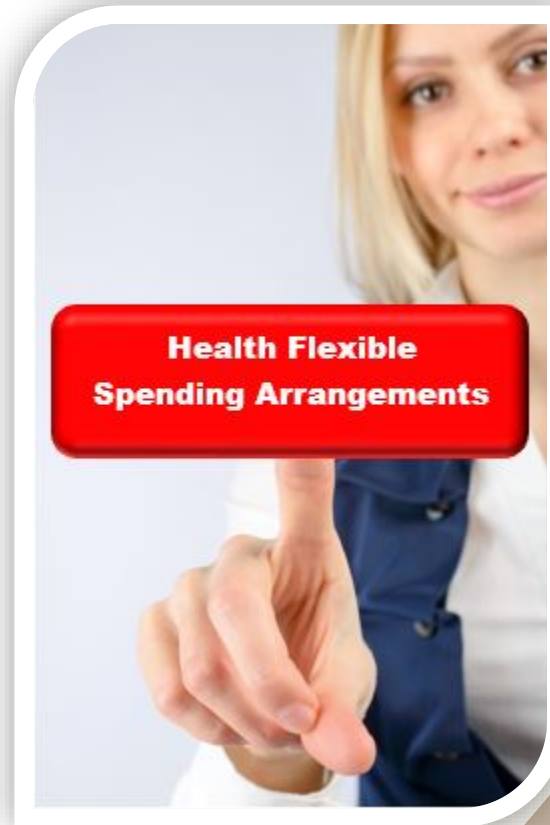


IRS Adoption Benefits-2021

- ❖ For 2021 this will be \$14,440
- ❖ Phase out begins at \$216,600
- ❖ Total phase out \$256,660

FSA Changes 2021

- ❖ Dollar limitations under a Section 125 plan on voluntary employee salary reductions for contributions to health flexible spending arrangements is \$2,750 for 2021



FSA Changes

- ❖ IRS has issued guidance on modifying the “use-or-lose rule for health flexible spending arrangements.
- ❖ Permits plan participants to carry over \$550 of unused balances remaining at end of plan year
- ❖ Also allows a grace period at the end of the plan year
- ❖ But cannot do both

High Deductible Health Plan 2021

High deductible health plan definitions:

Type of Coverage	Minimum Annual Deductible	Maximum Annual Deductible	Maximum Annual Out-of-Pocket Expenses
Self-only	\$1,400	\$3,600	\$7,000
Family	\$2,800	\$7,200	\$14,000

Supplemental Tax Rates—2021

- No changes withholding up to \$1 million up 22%
- Withholding on wages in excess of \$1 million 37%
- Back up withholding—24%

Exempt from Levy Amounts

2021—Pub 1494

1. Tables for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income (Forms 688-W(ACS) and 688-W(ICS))

The tables below show the amount of an individual's income (take home pay) that is exempt from a notice of levy used to collect delinquent tax in 2021.

2021

Filing Status: Single								Filing Status: Married Filing Joint Return (and Qualifying Widow(er)s)							
Pay Period	Number of Dependents Claimed on Statement							Pay Period	Number of Dependents Claimed on Statement						
	0	1	2	3	4	5	More Than 5		0	1	2	3	4	5	More Than 5
Daily	48.27	64.81	81.35	97.89	114.43	130.97	48.27 plus 16.54 for each dependent	Daily	96.54	113.08	129.62	146.16	162.70	179.24	96.54 plus 16.54 for each dependent
Weekly	241.35	324.04	406.73	489.42	572.11	654.80	241.35 plus 82.69 for each dependent	Weekly	482.69	565.38	648.07	730.76	813.45	896.14	482.69 plus 82.69 for each dependent
Biweekly	482.69	648.07	813.45	978.83	1144.21	1309.59	482.69 plus 165.38 for each dependent	Biweekly	965.38	1130.76	1296.14	1461.52	1626.90	1792.28	965.38 plus 165.38 for each dependent
Semimonthly	522.92	702.09	881.26	1060.43	1239.60	1418.77	522.92 plus 179.17 for each dependent	Semimonthly	1045.83	1225.00	1404.17	1583.34	1762.51	1941.68	1045.83 plus 179.17 for each dependent
Monthly	1045.83	1404.16	1762.49	2120.82	2479.15	2837.48	1045.83 plus 358.33 for each dependent	Monthly	2091.67	2450.00	2808.33	3166.66	3524.99	3883.32	2091.67 plus 358.33 for each dependent

Filing Status: Head of Household								Filing Status: Married Filing Separate Return							
Pay Period	Number of Dependents Claimed on Statement							Pay Period	Number of Dependents Claimed on Statement						
	0	1	2	3	4	5	More Than 5		0	1	2	3	4	5	More Than 5
Daily	72.31	88.85	105.39	121.93	138.47	155.01	72.31 plus 16.54 for each dependent	Daily	48.27	64.81	81.35	97.89	114.43	130.97	48.27 plus 16.54 for each dependent
Weekly	361.54	444.23	526.92	609.61	692.30	774.99	361.54 plus 82.69 for each dependent	Weekly	241.35	324.04	406.73	489.42	572.11	654.80	241.35 plus 82.69 for each dependent
Biweekly	723.08	888.46	1053.84	1219.22	1384.60	1549.98	723.08 plus 165.38 for each dependent	Biweekly	482.69	648.07	813.45	978.83	1144.21	1309.59	482.69 plus 165.38 for each dependent
Semimonthly	783.33	962.50	1141.67	1320.84	1500.01	1679.18	783.33 plus 179.17 for each dependent	Semimonthly	522.92	702.09	881.26	1060.43	1239.60	1418.77	522.92 plus 179.17 for each dependent
Monthly	1566.67	1925.00	2283.33	2641.66	2999.99	3358.32	1566.67 plus 358.33 for each dependent	Monthly	1045.83	1404.16	1762.49	2120.82	2479.15	2837.48	1045.83 plus 358.33 for each dependent

2. Table for Figuring Additional Exempt Amount for Taxpayers at Least 65 Years Old and/or Blind

Filing Status	*	Additional Exempt Amount				
		Daily	Weekly	Biweekly	Semi-monthly	Monthly
Single or Head of Household	1	6.54	32.69	65.38	70.83	141.67
	2	13.08	65.38	130.77	141.67	283.33
Any Other Filing Status	1	5.19	25.96	51.92	56.25	112.50
	2	10.38	51.92	103.85	112.50	225.00
	3	15.58	77.88	155.77	168.75	337.50
	4	20.77	103.85	207.69	225.00	450.00

* ADDITIONAL STANDARD DEDUCTION claimed on Parts 3.4, and 5 of levy.

Examples

These tables show the amount of take home pay that is exempt each pay period from a levy on wages, salary, and other income.

1. A single taxpayer who is paid weekly and claims three dependents has \$489.42 exempt from levy.
2. If the taxpayer in number 1 is over 65 and writes 1 in the ADDITIONAL STANDARD DEDUCTION space on Parts 3, 4, & 5 of the levy, \$522.11 is exempt from this levy (\$489.42 plus \$32.69).
3. A taxpayer who is married, files jointly, is paid bi-weekly, and claims two dependents has \$1,296.14 exempt from levy.
4. If the taxpayer in number 3 is over 65 and has a spouse who is blind, this taxpayer should write 2 in the ADDITIONAL STANDARD DEDUCTION space on Parts 3.4, and 5 of the levy. If so, \$1,399.99 is exempt from this levy (\$1,296.14 plus \$103.85).

Tax Tables—2021—Pub 15-T



Department of the Treasury
Internal Revenue Service

Publication 15-T

Cat. No. 32112B

Federal Income Tax Withholding Methods

For use in **2021**



Nov 10, 2020

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Future Developments

For the latest information about developments related to Pub. 15-T, such as legislation enacted after it was published, go to [IRS.gov/Pub15T](https://www.irs.gov/Pub15T).

What's New

Employers may use an optional computational bridge to treat 2019 or earlier Forms W-4 as if they were 2020 or later Forms W-4 for purposes of figuring federal income tax withholding. See [How To Treat 2019 and Earlier Forms W-4 as if They Were 2020 or later Forms W-4](#), later, for more information.

Introduction

This publication supplements Pub. 15, Employer's Tax Guide, and Pub. 51, Agricultural Employer's Tax Guide. It describes how to figure withholding using the Wage Bracket Method or Percentage Method, describes the alternative methods for figuring withholding, and provides the Tables for Withholding on Distributions of Indian Gaming Profits to Tribal Members. You may also use the Income Tax Withholding Assistant for Employers at [IRS.gov/ITWA](https://www.irs.gov/ITWA) to help you figure federal income tax withholding.

Although this publication may be used in certain situations to figure federal income tax withholding on supplemental wages, the methods of withholding described in

Tax Tables—2021—Pub 15-T

2021 Percentage Method Tables for Automated Payroll Systems

Note. This illustrates what the 2021 tables would look like by using the 2020 tax parameters.

STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked)					Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked)				
If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage	of the amount that the Adjusted Annual Wage exceeds—	If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage	of the amount that the Adjusted Annual Wage exceeds—
At least—	But less than—				At least—	But less than—			
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					Married Filing Jointly				
\$0	\$11,900	\$0.00	0%	\$0	\$0	\$12,400	\$0.00	0%	\$0
\$11,900	\$31,650	\$0.00	10%	\$11,900	\$12,400	\$22,275	\$0.00	10%	\$12,400
\$31,650	\$92,150	\$1,975.00	12%	\$31,650	\$22,275	\$52,525	\$987.50	12%	\$22,275
\$92,150	\$182,950	\$9,235.00	22%	\$92,150	\$52,525	\$97,925	\$4,617.50	22%	\$52,525
\$182,950	\$338,500	\$29,211.00	24%	\$182,950	\$97,925	\$175,700	\$14,605.50	24%	\$97,925
\$338,500	\$426,600	\$66,543.00	32%	\$338,500	\$175,700	\$219,750	\$33,271.50	32%	\$175,700
\$426,600	\$633,950	\$94,735.00	35%	\$426,600	\$219,750	\$323,425	\$47,367.50	35%	\$219,750
\$633,950		\$167,307.50	37%	\$633,950	\$323,425		\$83,653.75	37%	\$323,425
Single or Married Filing Separately					Single or Married Filing Separately				
\$0	\$3,800	\$0.00	0%	\$0	\$0	\$6,200	\$0.00	0%	\$0
\$3,800	\$13,675	\$0.00	10%	\$3,800	\$6,200	\$11,138	\$0.00	10%	\$6,200
\$13,675	\$43,925	\$987.50	12%	\$13,675	\$11,138	\$26,263	\$493.75	12%	\$11,138
\$43,925	\$89,325	\$4,617.50	22%	\$43,925	\$26,263	\$48,963	\$2,308.75	22%	\$26,263
\$89,325	\$167,100	\$14,605.50	24%	\$89,325	\$48,963	\$87,850	\$7,302.75	24%	\$48,963
\$167,100	\$211,150	\$33,271.50	32%	\$167,100	\$87,850	\$109,875	\$16,635.75	32%	\$87,850
\$211,150	\$522,200	\$47,367.50	35%	\$211,150	\$109,875	\$265,400	\$23,683.75	35%	\$109,875
\$522,200		\$156,235.00	37%	\$522,200	\$265,400		\$78,117.50	37%	\$265,400
Head of Household					Head of Household				
\$0	\$10,050	\$0.00	0%	\$0	\$0	\$9,325	\$0.00	0%	\$0
\$10,050	\$24,150	\$0.00	10%	\$10,050	\$9,325	\$16,375	\$0.00	10%	\$9,325
\$24,150	\$63,750	\$1,410.00	12%	\$24,150	\$16,375	\$36,175	\$705.00	12%	\$16,375
\$63,750	\$95,550	\$6,162.00	22%	\$63,750	\$36,175	\$52,075	\$3,081.00	22%	\$36,175
\$95,550	\$173,350	\$13,158.00	24%	\$95,550	\$52,075	\$90,975	\$6,579.00	24%	\$52,075
\$173,350	\$217,400	\$31,830.00	32%	\$173,350	\$90,975	\$113,000	\$15,915.00	32%	\$90,975
\$217,400	\$528,450	\$45,926.00	35%	\$217,400	\$113,000	\$268,525	\$22,963.00	35%	\$113,000
\$528,450		\$154,793.50	37%	\$528,450	\$268,525		\$77,396.75	37%	\$268,525

Nonresident Alien Table—2021

Table 1

Note. This illustrates what the 2021 tables would look like by using the 2020 tax parameters.

Payroll Period	Add Additional
Weekly	\$155.80
Biweekly	311.50
Semimonthly	337.50
Monthly	675.00
Quarterly	2,025.00
Semiannually	4,050.00
Annually	8,100.00
Daily or Miscellaneous (each day of the payroll period)	31.20

If the nonresident alien employee has submitted a Form W-4 for **2020 or later** or was first paid wages in 2020 or later, add the amount shown in Table 2 to their wages for calculating federal income tax withholding.

Table 2

Note. This illustrates what the 2021 tables would look like by using the 2020 tax parameters.

Payroll Period	Add Additional
Weekly	\$238.50
Biweekly	476.90
Semimonthly	516.70
Monthly	1,033.30
Quarterly	3,100.00
Semiannually	6,200.00
Annually	12,400.00
Daily or Miscellaneous (each day of the payroll period)	47.70

Federal Holidays for 2021

Friday, January 1:
New Year's Day

Monday, Jan 18:
Birthday Martin
Luther King

Monday, February
15: Washington's
Birthday

Monday, May 31,
Memorial Day

Monday, July 5:
Independence Day

Monday,
September 6:
Labor Day

Monday, October
11: Columbus Day

Thursday,
November 11:
Veteran's Day

Thursday,
November 25:
Thanksgiving Day

Friday, December
24: Christmas Day

Form 941 for 2021

- ▶ Draft Form for 2021 now available
- ▶ May depend on new legislation or extension of COVID-19 legislation
- ▶ Lines not used are “reserved for future use”

Employer Identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2021
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) 1

2 Wages, tips, and other compensation 2

3 Federal income tax withheld from wages, tips, and other compensation 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

	Column 1	Column 2
5a Taxable social security wages . . .	<input type="text"/> x 0.124 =	<input type="text"/>
5a (i) Qualified sick leave wages . . .	<input type="text"/> x 0.062 =	<input type="text"/>
5a (ii) Qualified family leave wages . . .	<input type="text"/> x 0.062 =	<input type="text"/>
5b Taxable social security tips . . .	<input type="text"/> x 0.124 =	<input type="text"/>
5c Taxable Medicare wages & tips . . .	<input type="text"/> x 0.029 =	<input type="text"/>
5d Taxable wages & tips subject to Additional Medicare Tax withholding	<input type="text"/> x 0.009 =	<input type="text"/>

5e Total social security and Medicare taxes. Add Column 2 from lines 5a, 5a(i), 5a(ii), 5b, 5c, and 5d 5e

5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions) . . . 5f

6 Total taxes before adjustments. Add lines 3, 5e, and 5f 6

7 Current quarter's adjustment for fractions of cents 7

8 Current quarter's adjustment for sick pay 8

9 Current quarter's adjustments for tips and group-term life insurance 9

10 Total taxes after adjustments. Combine lines 6 through 9 10

11a Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 11a

11b Nonrefundable portion of credit for qualified sick and family leave wages from Worksheet 1 11b

11c Reserved for future use 11c

Name (not your trade name)	Employer identification number (EIN)
----------------------------	--------------------------------------

Part 1: Answer these questions for this quarter. (continued)

11d Total nonrefundable credits. Add lines 11a and 11b 11d

12 Total taxes after adjustments and nonrefundable credits. Subtract line 11d from line 10 12

13a Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter 13a

13b Reserved for future use 13b

13c Refundable portion of credit for qualified sick and family leave wages from Worksheet 1 13c

13d Reserved for future use 13d

13e Reserved for future use 13e

13f Reserved for future use 13f

13g Total deposits and refundable credits. Add lines 13a and 13c 13g

14 Balance due. If line 12 is more than line 13g, enter the difference and see instructions 14

15 Overpayment. If line 13g is more than line 12, enter the difference Check one: Apply to next return. Send a refund.

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you're unsure about whether you're a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: Line 12 on this return is less than \$2,500 or line 12 on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you're a monthly schedule depositor, complete the deposit schedule below; if you're a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1

Month 2

Month 3

Total liability for quarter Total must equal line 12.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941. Go to Part 3.

▶ You MUST complete all three pages of Form 941 and SIGN it.

Next ▶▶▶

Name (not your trade name)	Employer identification number (EIN)
----------------------------	--------------------------------------

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

- 17 If your business has closed or you stopped paying wages Check here, and enter the final date you paid wages / / ; also attach a statement to your return. See instructions.
- 18 If you're a seasonal employer and you don't have to file a return for every quarter of the year Check here.
- 19 Qualified health plan expenses allocable to qualified sick leave wages 19 .
- 20 Qualified health plan expenses allocable to qualified family leave wages 20 .
- 21 Reserved for future use 21 .
- 22 Reserved for future use 22 .
- 23 Credit from Form 5684-C, line 11, for this quarter 23 .
- 24 Reserved for future use 24 .
- 25 Reserved for future use 25 .

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit personal identification number (PIN) to use when talking to the IRS.

No.

Part 5: Sign here. You MUST complete all three pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

X Sign your name here

Date / /

Print your name here

Print your title here

Best daytime phone

Paid Preparer Use Only Check if you're self-employed

Preparer's name	<input type="text"/>	PTIN	<input type="text"/>
Preparer's signature	<input type="text"/>	Date	<input type="text"/> / <input type="text"/> / <input type="text"/>
Firm's name (or yours if self-employed)	<input type="text"/>	EIN	<input type="text"/>
Address	<input type="text"/>	Phone	<input type="text"/>
City	<input type="text"/>	State	<input type="text"/>
		ZIP code	<input type="text"/>

Schedule B for Use in 2021

- ❖ Current form issued 1/2017
- ❖ No Draft form pending for 2021

Schedule B (Form 941):

Report of Tax Liability for Semiweekly Schedule Depositors

(Effective January 2017)

Department of the Treasury — Internal Revenue Service

Employer identification number -

Employer's trade name

Employer's year (Also check quarter)

Report for this Quarter...
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Use this schedule to show your TAX LIABILITY for the quarter; don't use it to show your deposits. When you file this form with Form 941-SS or Form 941-SS, don't change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this form and attach it to Form 941-SS if you're a semiweekly schedule depositor or became one because your accumulated tax liability on any date was \$500 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 301.6011-1 for details.

	9		17		25		Tax liability for Month
	10		18		26		
	11		19		27		
	12		20		28		
	13		21		29		
	14		22		30		
	15		23		31		
	16		24				
	9		17		25		Tax liability for Month
	10		18		26		
	11		19		27		
	12		20		28		
	13		21		29		
	14		22		30		
	15		23		31		
	16		24				
	9		17		25		Tax liability for Month
	10		18		26		
	11		19		27		
	12		20		28		
	13		21		29		
	14		22		30		
	15		23		31		
	16		24				

Form W-2 for 2021

No physical changes for 2021

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld		
			5 Medicare wages and tips		6 Medicare tax withheld		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		12a See instructions for box 12	
		13 Third-party sick pay <input type="checkbox"/>		14 Other		12b	
						12c	
						12d	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement

2021

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page

Form W-3 for 2021

❖ No physical changes for 2021

DO NOT STAPLE

33333		a Control number		For Official Use Only ▶ OMB No. 1545-0008				
b Kind of Payer (Check one)	<input type="checkbox"/> 941	Military	<input type="checkbox"/> 943	<input type="checkbox"/> 944	Kind of Employer (Check one)	None apply	501c non-govt.	Third-party sick pay (Check if applicable)
	<input type="checkbox"/> CT-1	<input type="checkbox"/> Hshld. emp.	<input type="checkbox"/> Medicare govt. emp.	<input type="checkbox"/>		<input type="checkbox"/> State/local non-501c	<input type="checkbox"/> State/local 501c	
c Total number of Forms W-2		d Establishment number		1 Wages, tips, other compensation		2 Federal income tax withheld		
e Employer identification number (EIN)				3 Social security wages		4 Social security tax withheld		
f Employer's name				5 Medicare wages and tips		6 Medicare tax withheld		
g Employer's address and ZIP code				7 Social security tips		8 Allocated tips		
				9		10 Dependent care benefits		
h Other EIN used this year				11 Nonqualified plans		12a Deferred compensation		
				13 For third-party sick pay use only		12b		
15 State		Employer's state ID number		14 Income tax withheld by payer of third-party sick pay				
16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		
Employer's contact person				Employer's telephone number		For Official Use Only		
Employer's tax number				Employer's email address				

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ Title ▶ Date ▶

Form **W-3** Transmittal of Wage and Tax Statements **2021**

Department of the Treasury
Internal Revenue Service

Form W-4 for 2021

❖ There are no changes to the basic form

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		<p>▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.</p>		2021	
Step 1: Enter Personal Information	(a) First name and middle initial	Last name		(b) Social security number	
	Address				
	City or town, state, and ZIP code				
<p>(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)</p>					
<p>Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at www.irs.gov/W4App, and privacy.</p>					
Step 2: Multiple Jobs or Spouse Works	<p>Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following.</p>				
	<p>(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld <input type="checkbox"/></p>				
<p>TIP: To be accurate, submit a 2021 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.</p>					
<p>Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)</p>					
Step 3: Claim Dependents	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):				
	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$				
	Multiply the number of other dependents by \$500 ▶ \$				
Add the amounts above and enter the total here				3 \$	
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income				
					4(a) \$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here				4(b) \$
(c) Extra withholding. Enter any additional tax you want withheld each pay period				4(c) \$	
Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.				
	Employee's signature (This form is not valid unless you sign it.)			Date	
Employers Only	Employer's name and address		First date of employment	Employer identification number (EIN)	
For Privacy Act and Paperwork Reduction Act Notice, see page 3.		Cat. No. 10220Q		Form W-4 (2021)	

941X Form Series

Stand alone
form

Has series to
match 941
series

Updated as of
2020 to allow
for COVID-19

Next
scheduled
update???

Federal and State Updates

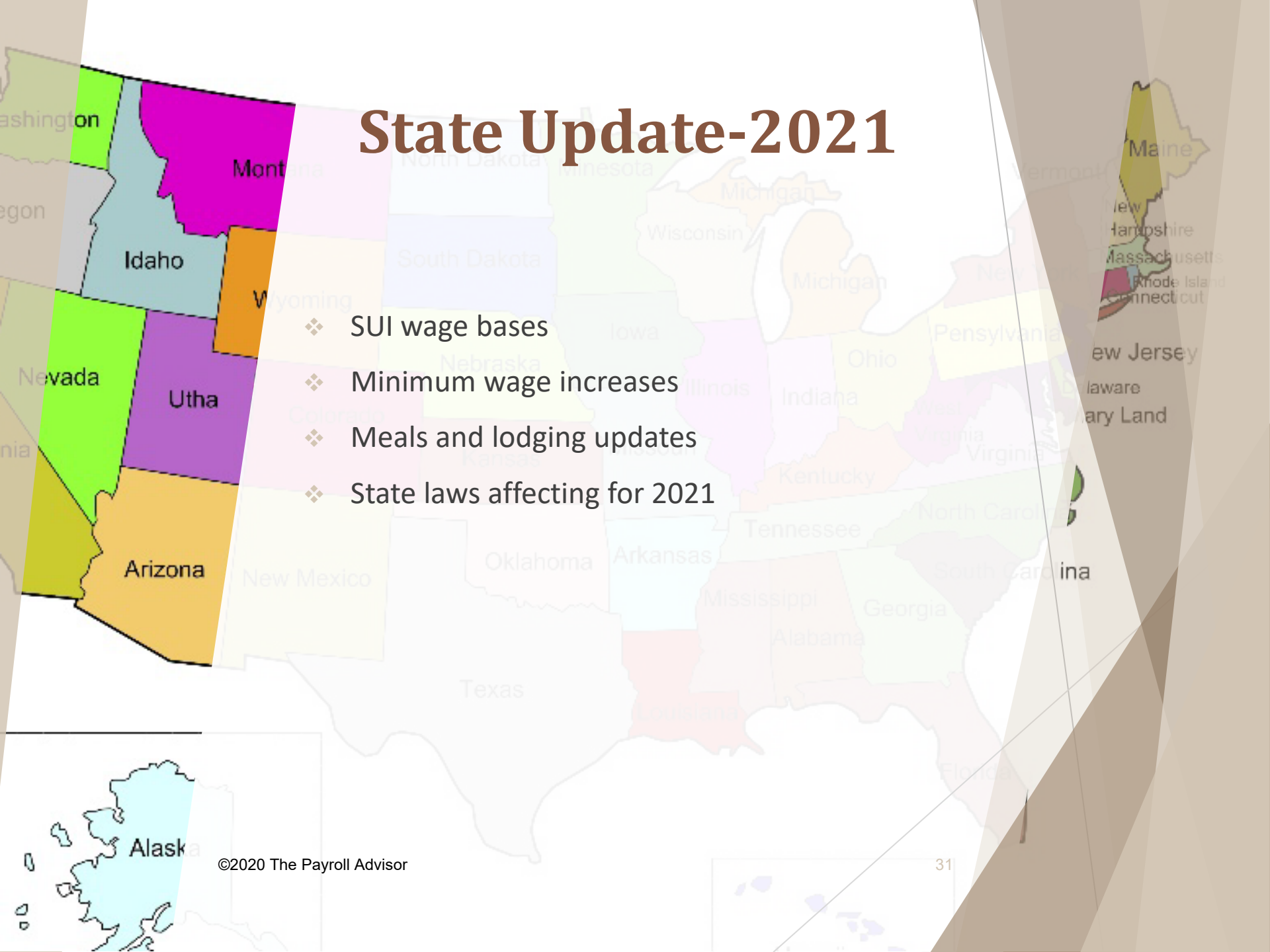


Department of Education Update

- ❖ Student loans administrative forbearance period is extended through January 31, 2021

State Update-2021

- ❖ SUI wage bases
- ❖ Minimum wage increases
- ❖ Meals and lodging updates
- ❖ State laws affecting for 2021



State Update: Be sure to check...

CHECKLIST

- Check all new SUI rates and wage bases
- Check for EFT changes: Did my deposits increase?
- EFT for Child Support—any changes to EFT?
- Due date for Forms W-2—did the state move up the date?
- New income tax charts or publications?
- New forms such as Form W-4 equivalent?



State Minimum Wage—Eff. 1-1-21 (So Far)

State	Rate	State	Rate	State	Rate	State	Rate
AK	\$10.34	KS	\$7.25	NM	\$10.50	WI	\$7.25
AL	N/A	KY	\$7.25	NV	\$9.00	WV	\$8.75
AR	\$11.00	LA	N/A	NY	\$12.50- \$15.00	WY	5.15
AZ	\$12.15	MA	\$13.50	OH	\$8.80		
CA	\$14.00/\$13.00	MD	\$11.75/\$11.60	OK	\$7.25		
CO	\$12.32	ME	\$12.15	OR	\$12.00 - \$14.00		Increase for 2021
CT	\$13.00 eff. 8-1-21	MI	\$9.87	PA	\$7.25		Scheduled to increase 7-1-21
DC	\$15.00	MN	\$10.08	RI	\$11.50		Scheduled to increase 10-1-21
DE	\$10.25	MO	\$10.30	SC	N/A		Scheduled to increase 12-31-20
FL	\$10.00	MS	N/A	SD	\$9.45		Scheduled to increase 9-30-21
GA	\$5.15	MT	\$8.75	TN	N/A		
HI	\$10.10	NC	\$7.25	TX	\$7.25		
IA	\$7.25	ND	\$7.25	UT	\$7.25		
ID	\$7.25	NE	\$9.00	VA	\$7.25		
IL	\$11.00	NH	\$7.25	VT	\$11.75		
IN	\$7.25	NJ	\$12.00	WA	\$13.69		

Current Local Minimum Wage For 2021—as of 12-5-20

Jurisdiction	Rate	Jurisdiction	Rate
Flagstaff, AZ	\$15.00	Albuquerque, NM	\$10.50
Cook County, IL	\$13.00	Bernalillo County, NM	\$9.35
Chicago, IL	\$15.00*	Las Cruces, NM	\$10.50
Montgomery County, MD	\$15.00*	Santa Fe, NM	\$12.10
Prince George County MD	\$11.75	New York City, NY	\$15.00*
Portland, ME	\$12.15	Long Island/Westchester, NY	\$13.00
Minneapolis, MN	\$14.25*	Seattle, WA	\$16.69*
St. Paul, MN	\$12.50*		
		Sea Tac, WA	\$16.57

*limited to certain employees or industries or employer size

Current California Local Minimum Wage as of 1-1-21 (Updated 12-5-20)

Jurisdiction	Rate	Jurisdiction	Rate	Jurisdiction	Rate
Alameda	\$15.00	Los Angeles City	\$15.00*	San Carlos	\$15.24
Anaheim	\$17.00*	Los Angeles County	\$15.00*	San Diego	\$14.00
Belmont	\$15.90	Malibu	\$15.00*	San Francisco	\$16.07
Berkeley	\$16.07	Menlo Park	\$15.25	San Jose	\$15.45
Cupertino	\$15.65	Milpitas	\$15.40	San Leandro	\$15.00
Daly City	\$15.00	Mountain View	\$16.30	San Mateo	\$15.62
El Cerrito	\$15.61	Novato	\$14.00*	Santa Clara	\$15.65
Emeryville	\$16.84*	Oakland	\$14.36	Santa Monica	\$15.00*
Fremont	\$15.00*	Palo Alto	\$15.65	Santa Rosa	\$15.20
Half Moon Bay	\$15.00	Pasadena	\$15.00*	Sonoma	\$14.00*
Hayward City	\$15.00*	Petaluma	\$15.20*	South San Francisco	\$15.24
Long Beach	\$15.47*	Redwood City	\$15.62		
Los Altos	\$15.65	Richmond	\$15.21	Sunnyvale	\$16.30

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*limited to certain employees or industries or employer size

State SUI Wage Bases 2021

(As of 12-09-20)

State	Wage Base	State	Wage Base	State	Wage Base	State	Wage Base
AK	\$43,600	KS	\$14,000	NM	\$27,000	WI	\$14,000
AL		KY		NV	\$33,400	WV	
AR	\$10,000	LA	\$7,700	NY	\$11,800	WY	\$27,300
AZ		MA		OH	\$9,000		
CA		MD		OK	\$24,000		
CO	\$13,600	ME		OR	\$43,800		
CT		MI		PA	\$10,000		
DC		MN		RI			
DE		MO	\$11,000	SC	\$14,000		
FL		MS		SD			
GA		MT	\$35,300	TN			
HI	\$47,400	NC	\$26,000	TX			
IA	\$32,400	ND		UT	\$38,900		
ID	\$43,000	NE	\$9,000/24,000	VA			
IL	\$12,960	NH		VT	\$14,100		
IN		NJ	\$36,200	WA			

New Jersey SUI/TDI for 2021

New Employer

U.I.	D.I.	W.F./S.W.F.		
0.026825	0.005000	0.001175	0.000000	July 1, 2020 to June 30, 2021

Worker

U.I.	D.I.	W.F./S.W.F.	F.L.I.	
0.003825	0.004700	0.000425	0.0028	January 1, 2021 to December 31, 2021

Worker - Governmental Reimbursable Employer

U.I.	D.I.	W.F./S.W.F.	F.L.I.	
0.000825	0.004700	0.000425	0.0028	January 1, 2021 to December 31, 2021

U.I. - Unemployment Insurance

D.I. - Disability Insurance

W.F./S.W.F. - Workforce Development/Supplemental Workforce Funds

F.L.I. - Family Leave Insurance

- 2021 Taxable Wage Base (UI and WF/SWF - workers and employers, TDI – employers): \$36,200
- 2021 Taxable Wage Base (TDI , FLI – workers only): \$138,200

New Jersey Meals/Lodging for 2021

In accordance with *N.J.A.C. 12:16-4.8*, the following are the calculated dollar equivalents for board and room, meals and lodging furnished by employers in lieu of money wages paid for services rendered by employees during the calendar year 2021:

Full Room and Board, Weekly	\$243.70
Lodging per week	\$104.40
Meals per day	\$27.80

If less than three meals per day, individual meals shall be valued as follows:

Breakfast	\$8.30
Lunch	\$8.30
Dinner	\$11.10

These amounts are used when the employer does not assign a value to such payments.

Delaware withholding Thresholds for 2021

Title 30 Sec. 1154(a)—Amount of withholding in annual lookback period under which quarterly filings are specified: \$4,810;

Title 30 Sec. 1154(a)—Amount of withholding in annual lookback period between which monthly filings are specified: \$4,810 and \$26,740; and

Title 30 Sec. 1154(a)—Amount of withholding in annual lookback period over which 8th-monthly filings are specified: \$26,740

Must file electronically for one-eighth monthly and monthly filers

Maryland Tax Withholding Brackets for 2021

There will be 11 tax brackets for 2021

This is down from 13 in 2020

They are: 2.25%; 2.40%; 2.65%;
2.81%; 2.96%; 3.00%; 3.03%; 3.05%;
3.06%; 3.17%; and 3.20%

Local county rates are unchanged

California: Agricultural Workers

Assembly Bill 1066 signed 9-12-16

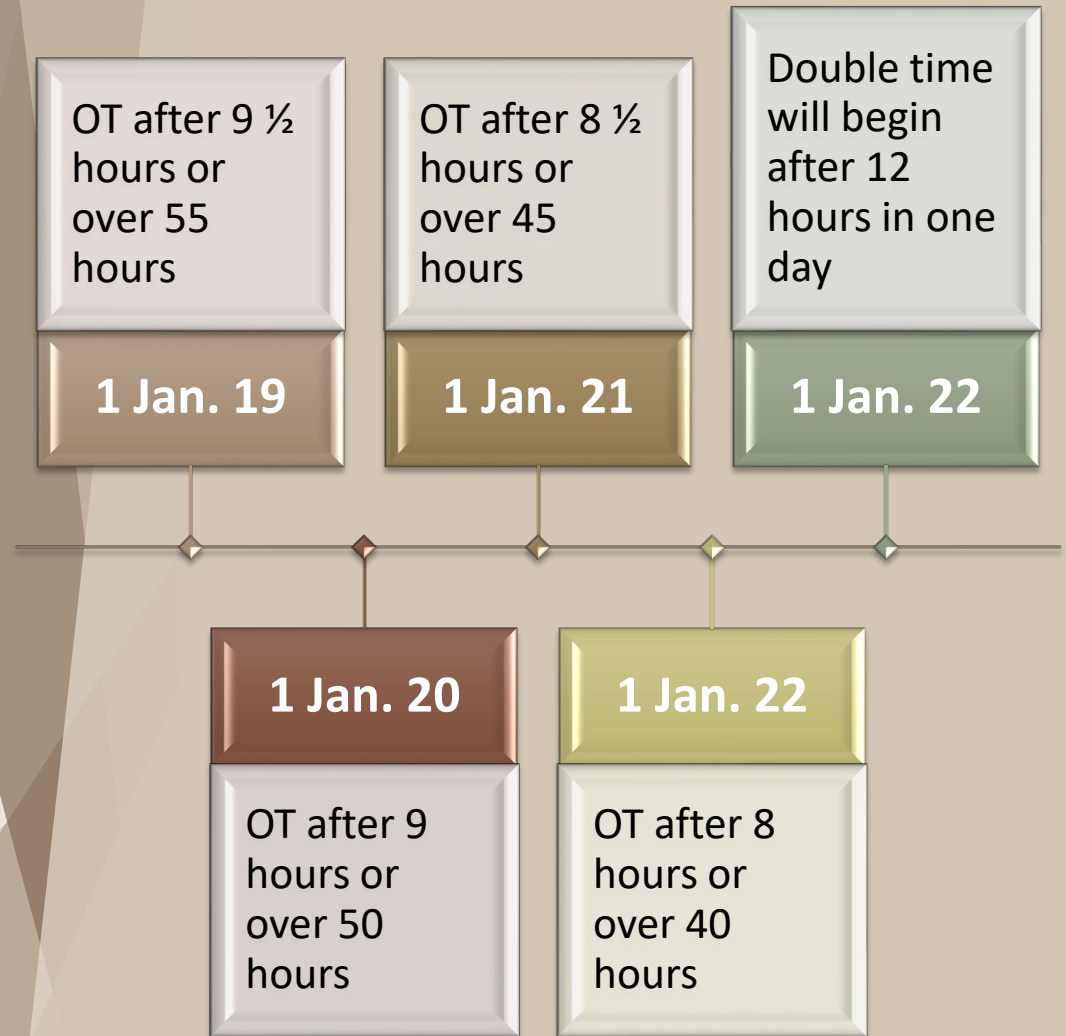
Wage and hour law requirements under Code Sections 500 et seq., which includes meal and rest periods apply to agricultural workers

Effective 1-1-17

Overtime will be phased in between 2019 and 2022

Wage Order #14

More than 25 Agricultural Workers:



Less than 25 Agricultural Workers:

OT after 9 ½
hours or over
55 hours

OT after 8 ½
hours or over
45 hours

Double time
will begin after
12 hours in
one day

1 Jan. 23

1 Jan. 25

1 Jan. 22

1 Jan. 24

1 Jan. 25

OT after 9
hours or over
50 hours

OT after 8
hours or over
40 hours

California

- The State itself
- Berkeley
- Emeryville
- Long Beach
- Los Angeles
- Oakland
- San Diego
- San Francisco
- San Jose
- Santa Monica

Illinois

- Chicago
- Cook County

Maryland

- The State Itself
- Montgomery County

Minnesota

- Minneapolis
- St. Paul
- Duluth

New Jersey

- The State Itself
- Bloomfield
- East Orange
- Elizabeth
- Irvington
- Jersey City
- Montclair
- Morristown
- Newark
- Passaic
- Paterson
- Plainfield
- Trenton

New York

- New York City
- Westchester County

Oregon

- The State Itself
- Portland

Pennsylvania

- Philadelphia
- Pittsburg

Texas

- San Antonio
- Dallas

Washington

- The State Itself
- Seattle
- Tacoma

State Only

- Arizona
- Connecticut
- Colorado-2024
- Massachusetts
- Nevada
- Maine (2021)
- Michigan
- Rhode Island
- Vermont
- District of Columbia



Legislative Update

Federal

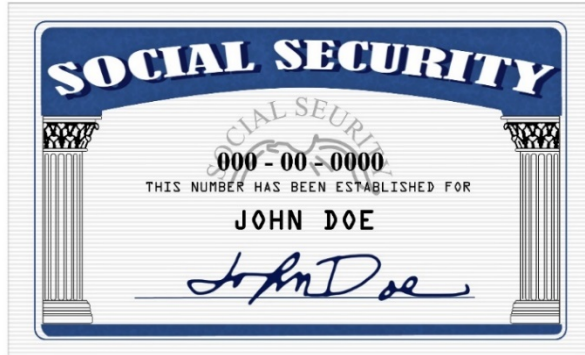
- ❖ None pending as of today





Social Security Update

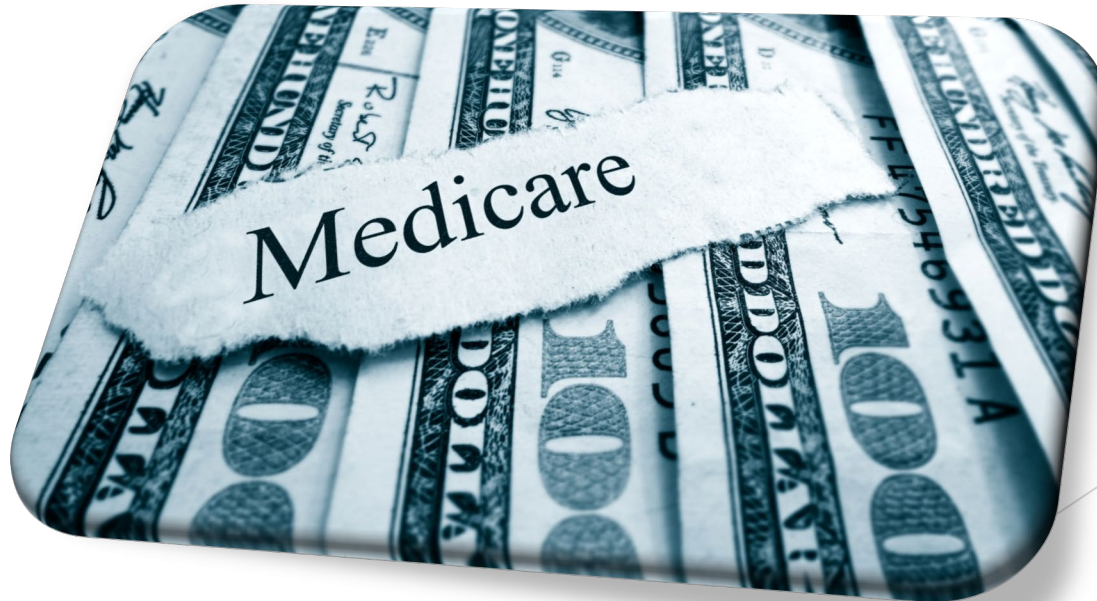
Social Security



- ❖ OASDI Taxable wage base for 2021--\$142,800
- ❖ Up from \$137,700 for 2020
- ❖ Rate is same at 6.2%

Medicare

- ❖ Rate same at 1.45%
- ❖ No wage base



Additional Medicare Tax

- ❖ Additional Medicare Tax began in 2013—no changes for 2021
- ❖ Rate is 0.9%
- ❖ Requires employer to withhold additional amount on wages in excess of \$200,000 in calendar year
- ❖ No employer matching
- ❖ All wages currently subject to Medicare subject to this additional tax

Changes to 2020 Instructions

Final instructions have been released. They “remind us” on page 3 that the electronic filing limit is under review but no changes for 2020:



The Taxpayer First Act of 2019, enacted July 1, 2019, authorized the IRS and Treasury to issue regulations that could reduce the 250 return limit to 100 and then to 10, potentially starting with respect to 2020 returns required to be filed in 2021. If those regulations are issued and effective for 2020 tax year returns, we will post an article at [IRS.gov/FormW2](https://www.irs.gov/FormW2) explaining the change. Otherwise, the same limits as applied last year will apply for tax year 2020, as reflected in these instructions.

For 2020:

include any wages for which you deferred withholding and payment of employee Social Security tax in box 3 (Social security wages) and/or box 7 (Social security tips)

do not include in box 4 (Social security tax withheld) any amount of deferred employee Social Security tax that has not been withheld.

Reporting Employee Deferred Social Security

Reporting Employee Deferred Social Security

Employee Social Security tax deferred in 2020 that is withheld in 2021 and not reported on the 2020 Form W-2 should be:

Reported in box 4 (Social security tax withheld) on Form W-2c, Corrected Wage and Tax Statement.

On Form W-2c, employers should enter tax year 2020 in box c and adjust the amount previously reported in box 4 (Social security tax withheld) of the Form W-2 to include the deferred amounts that were withheld in 2021.

All Forms W-2c should be filed with SSA, along with Form W-3c, Transmittal of Corrected Wage and Tax Statements, as soon as possible after you have finished withholding the deferred amounts

When to Use Form W-2c



If the Form W-2 has been given to employee and submitted to SSA then issue Form W-2c



If given to employee but the file is not correctable



Be sure to use 8-2014 version

Best Practices Review

Best time to take a good look around

- ❖ Taxation practices
- ❖ Wage and hour laws
- ❖ Independent contractors
- ❖ Watch out for state as well as federal
- ❖ Self audit is better than the alternative!



Questions

