

Laura Detsch

Compliance at Greenshades

Most of you are aware that Greenshades has a compliance team. But do you know exactly what they do?

Welcome to the Compliance Newsletter that will provide some insight into the role that compliance plays in the everyday ongoings of Greenshades Payroll.

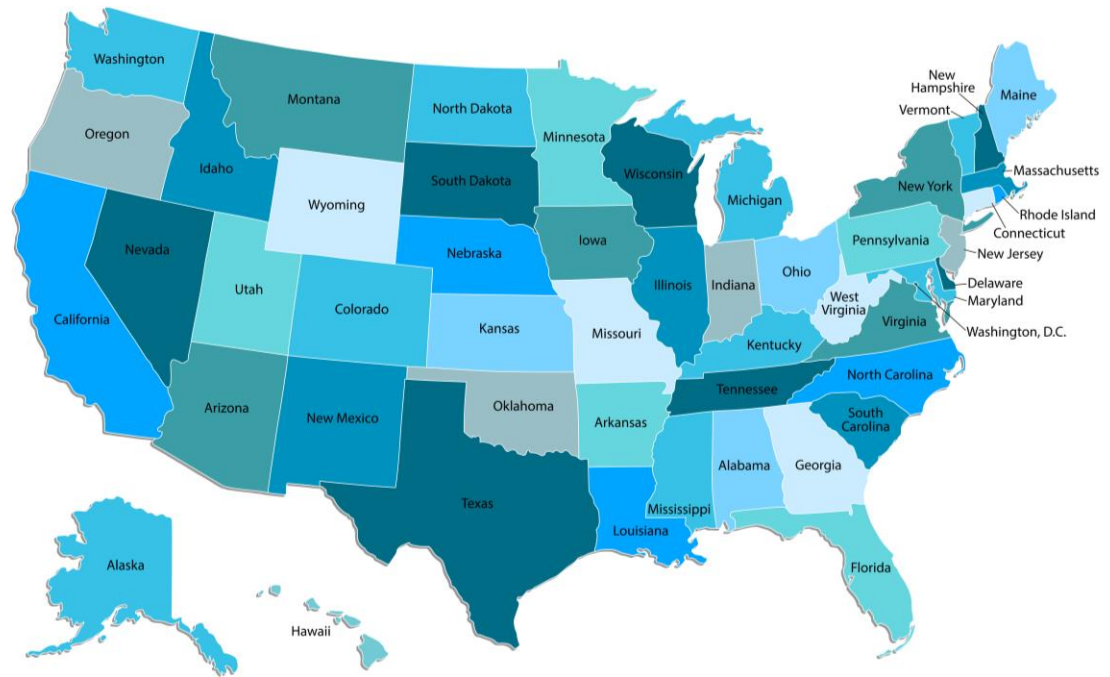
Compliance is not just assigned to one department. We are here for all of the departments that offer products to our many and varied clients.

Just a few areas that we spend time on:

Year-end Forms: We review the 20 some year-end tax forms that we create and distribute for our clients. This includes 1098, 1099, 1042-S, W-2G, W-2s, T-4, etc. We review the IRS and Canadian forms for changes from the prior year, to make sure when the forms are populated, they are done correctly. We incorporate those changes into the excel templates clients can use to import their data to YEF. The changes are also reflected in the electronic specifications provided to developers to make sure all generated e-files are correct and will allow the clients data to be processed efficiently and correctly.

E-filing – We look at specifications, at least quarterly, for withholding, unemployment, and new hire to monitor any changes. We work with the IRS and several states that require annual testing to maintain our ability to create and submit forms.

State Holidays and State Unemployment Taxable Wage Bases – These items can affect the tracking of due dates for payments and reports. The taxable wage bases affect the unemployment reporting and contribution payments.



Noted Changes:

When changes occur, compliance provides the information on the how and when they will affect the processes in place and the information detailing the changes in portals, specifications, security (MFA and captchas) must be researched and provided to implement on time and correctly.

- Social Security Taxable wage base for 2025 - \$176,100
- Delaware – changed their thresholds for determining withholding payment/filing frequencies, you should check to make sure your frequency has not changed.
- State Unemployment Taxable wage bases – all changes are updated annually and intermittently for those states that change mid-year.
- State Holidays – Changes are tracked and posted since the office closures can affect due dates
- Ohio – Updated their withholding portal to include MFA. Logins changed, the portal changed, instructions were updated to reflect these changes.
- Kentucky – changed their withholding portal. Submission processes changed; instructions needed to be updated.
- New York – the quarterly NYS-45, now requires unemployment and withholding to be reported together starting with the first quarter of 2025. Some of our products did not support this.
- W-4 updates – both federal and many states updated their forms
- Federal 1095 forms – Employers can choose to distribute all forms to the employees, or they can provide a general notice of availability to their employees, who can request a copy of their form.
- Additional states either added and/or modified requirements for paid time off, paid family leave, paid sick leave. This included Missouri, Delaware, Maine, New York, Maryland, Michigan (pending legislative repeal)
- Minimum wage updates
- Changes to pay stub requirements for Ohio and Illinois
- Updates to IRS Secure Act 2.0 that may or may not affect the reporting on W-2s
- Updates to the maximum amount allowed to contribute to retirement plans.
- New local taxes added

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Canada Updates the Transmittal Form T619

Required to submit T-4 and T-4A forms

Canada updated the schema for Form T619, Electronic Transmittal, on February 25, 2025. All submissions on or after February 25, 2025, require the updated transmittal or the submission will reject.

The changes:

Removal of Fields:

- Report Type Code
- Transmitter Number
- Transmitter Type Indicator
- Transmitter Address
- Transmitter City
- Transmitter Province or Territory Code
- Transmitter Postal Code

Updated Fields:

Transmitter Name

<TRNMTR_NM></TRNMTR_NM> replaced with <TransmitterName></TransmitterName>

Transmitter County Code

<cntry_CD></cntry_cd> replaced with <TransmitterCountryCode></TransmitterCountryCode>

New Fields:

<TransmitterAccountNumber> Transmitter CRA Account Number

- Required up to 15 alphanumeric (if using MyBA or WAC account to sign in, must choose one of the following:

<bn9></bn9> numeric, used with MyBA only;

<bn15></bn15> - alphanumeric;

<trust></trust> - 1 alpha, 8 numeric; or

<nr4></nr4> - 3 alpha, 6 numeric

</TransmitterAccountNumber>

<TransmitterRepID>

<RepID></RepID> - required if logged in with Represent a client (RAC) application

- 7 alphanumeric

</Transmittable>

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Garnishments

This is a list of updates for 2025 that affect garnishments:

- Updated withholding worksheet for determining child support in New York
- Updated withholding form for spousal support in New York
- Updated procedure for notifying the Texas Attorney General office of a lump sum payment
- Updated Statement of Exemptions Form in Arizona
- Updated Earnings Withholding Order in California
- Updated minimum wage and the amount of exempt from garnishment in California
- Updated Writ of Garnishment in Colorado
- Updated minimum wage criteria in New York
- Revised the amounts exempt from garnishment in Oregon
- Updated Poverty Guidelines for Earnings in Wisconsin
- Updated the Employer’s Wage Remittance in Wisconsin

Pending or possible upcoming changes, that compliance will be monitoring:

- The future of student loan collections. Federal bills have been introduced that would require the repayment from earnings.
- The federal protection for wages has not changed in a good number of years, will there be changes in the near future?
- With the constant changes to state minimum wages and even some local minimum wages, compliance will monitor to provide the correct wage to be used in the calculation of garnishment.
- How will the Pay on Demand affect garnishments?

Compliance provides garnishment guidance by state.



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Ohio Municipal Resident Income Tax

This was a recent question posted to the Compliance slack channel.

Ohio municipal taxes are based on work site. If the employee lives in one Ohio municipality and works in another, that employee may owe taxes to both jurisdictions.

Example:

Employee X works in Mansfield OH which has a 2.25% rate and earns \$50,000

Employee X lives in Ashland OH which has a 2% rate with a tax credit of 66.67% and credit limit of 1%

Employee X will owe Mansfield 2.25% of earnings (\$50,000 x 2.25% = \$1,125)

Employee X will also owe Ashland 2.0% of earnings less 66.67% of Mansfield tax capped at 1% (\$50,000 x 2.0% = \$1,000 less \$50,000 x 2.25% x 66.67% = \$750.04 capped at 1.0% or \$500).

\$1,125.00 (Mansfield) + \$500 (Ashland) = \$1,625.00 total taxes owed.

