



PrestigePEO

December 9, 2020

2020 Year End & What's New for Jan



Today's Presenters



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Today's Agenda



- FFCRA and CARES Act approaching deadlines
- IRS 2021 Limits for Reimbursement Accounts
- Tips for Maximizing End of Year Benefits
- Looking Ahead to 2021 with a COVID Vaccine
- Year End Payroll Guide
- Multi-state Compliance Reminders

Webinar Forum

- ❖ All participants are muted.
- ❖ Please type questions in the side navigation panel and we will try to address most questions during today's session.
- ❖ Today's presentation will be posted online at prestigepeo.com/blogs

Family First Coronavirus Relieve Act (FFCRA)

- Required employers with less than 500 employees to pay sick leave (EPSL) and family medical leave (EFMLA) to employees affected by Covid-19
- Employers received dollar for dollar tax credits for all qualifying wages paid under FFCRA up to the appropriate per diem and aggregate caps
- These provisions end December 31, 2020

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Employer FICA Tax deferral

- Allowed businesses to defer payment of the employer portion of the FICA payroll tax
- Tax deferral ends December 31, 2020
- Total amount deferred due in 2 installments
 - 50% due on December 31, 2021
 - 50% due on December 31, 2022

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Provisions expiring December 31, 2020

- Unemployment benefits for self-employed, independent contractors and gig economy workers
- Extension of unemployment benefits from 26 weeks to up to 39 weeks
- Federal student loan forbearance (CARES act provision)
 - Originally expired September 30, 2020. Was extended under Executive order until December 31, 2020. *Has now been extended again until January 31, 2021.*

IRS 2021 Limits for Reimbursement Accounts

- Flexible Spending (FSA) \$2,750 / year
- Dependent Care (DCA) \$5,000 / year
- Health Savings Account (HSA) \$3,600 (Individual); \$7,200 (Family)
 - Age 55+: Additional \$1,000 allowed

COVID-19 Relief: FSA can be used to pay for over-the-counter medications without a prescription. This allowance was signed into law March, 2020 but retroactive to January 1st, 2020.

IRS 2021 Limits for Reimbursement Accounts

- Commuter Benefits:
 - Transit Passes and Van Pool Services - \$270/month
 - Qualified Parking: \$270/month

COVID-19 Relief: The IRS has approved the transfer of monies from Mass Transit to Parking as long as both are offered.

Tips for Maximizing End of Year Benefits

Deductibles reset January 1st so here are some tips on how to maximize a savings opportunity:

- For those who met their deductible or almost met their deductible
 - Consider having some services done before January 1st - Lab, Prescription Refills, Testing – so that they will be covered in full.
- For those not close to meeting their deductible
 - Delay any healthcare expenses until after January 1st, if possible. If there are plans to have an expensive procedure and it can wait to schedule until after January 1st, it will pay off to wait.

Tips for Maximizing End of Year Benefits (cont.)

- For those who have FSA: remember those funds
 - The IRS allows a maximum of \$550 to be rolled over into the new year. Any additional monies will be forfeited. Make sure to check the list of qualified expenses and purchase what is needed with any available funds. The IRS does not allow refunds.
- Health Savings Accounts (HSA)
 - The funds in these accounts belong to the owner of the account and roll over year after year. The funds will also transfer with the owner of the account if there is a change in job. For the young and healthy, consider investment opportunities. Always check the list for qualified expenses in which to use your HSA funds.

Looking Ahead to 2021 with a COVID Vaccine

- Vaccines to combat the COVID-19 pandemic are due to roll out in the US shortly.
- It is anticipated that all adults will have the ability to get the vaccine in 2021.
- Planning the distribution, receiving, storing, and handling vaccines is under the scrutiny of the Federal government and CDC.
- Pfizer (and Moderna) are seeking emergency authorization which is expected at any moment. However, both labs are already underway with producing millions of vaccines for distribution.

Looking Ahead to 2021 with a COVID Vaccine (cont.)

- These vaccines will be no cost to members regardless of type of health plan. Meaning group plans, individual plans, Medicare, Medicaid, fully insured or self insured.
- Partnering with grocery stores, pharmacies, and chains such as CVS is expected in efforts to get the vaccines distributed as quickly as possible is underway.
- **News Alert:** Governor Cuomo has just announced that NY will receive its first doses of the Pfizer vaccine by December 15th. Additional doses will follow by the end of the year. The Governor has also put together a clinical advisory task force consisting of health care professionals and scientists to review every vaccine authorized by the government, results, and effectiveness.

Payroll Year End Guide

Recording Items on W-2's

- All payroll items that need to be recorded on your employees' 2020 W-2 must be submitted to PrestigePEO no later than December 28th, 2020 at 12PM EST. Items submitted after this deadline could be subject to late processing/filing fees.
- Payroll Items submitted after 12PM EST on Friday, January 8th, 2021 will require W-2c's (an amended W-2) to be issued to affected employees and could be subject to late processing/filing fees per W-2c issued.

Payroll Year End Guide

Year End Bonuses

- Please provide bonus information with your regular payroll, regardless of the bonus payroll check date. If bonus information cannot be supplied with regular payroll, please submit your bonus payroll at least 4 business days in advance of the requested check date to avoid any delay in processing.

Payroll Year End Guide

Payroll Adjustments and Fringe Benefits

- Final payroll adjustments or fringe benefits must be reported with or before your last 2020 payroll. Common items include:
 - Personal use of company vehicles
 - Taxable value of benefits paid by employer for S Corp owners greater than 2%
 - Taxable fringe benefits such as employer-paid Life Insurance exceeding 50K

If you have questions regarding which fringe benefits should be recorded as W-2 wages, we recommend that you reach out to your Accountant and/or Financial Advisors before submitting to your payroll specialist.

Payroll Year End Guide

- Having Employees Review Personal Information
 - Now is a great time to have your employees review their personal information to ensure their 2020 W-2's are accurate. They can access the PrestigePro employee portal on our Mobile app or at prestigepeo.com.
 - Names and Addresses – Employees should confirm their home address and/or mailing address.
 - Electronic W-2's – Employees can elect to receive their W-2 directly on the PrestigePRO employee portal. Electronic W-2's will be available faster and help eliminate paper mail. If employees have enrolled previously, they do not need to do so again.

Payroll Year End Guide

- Terminated Employees
 - We recommend that you review your list of employees in PrestigePro and verify that all appropriate termination information has been submitted. Employees who are active or on leave of absence will remain in PrestigePro for 2021.

Upcoming Reminders

Connecticut Sexual Harassment Training:

- The Connecticut Commission on Human Rights and Opportunities (CHRO) has extended the deadline to complete sexual harassment training required by the CT Time's Up Act by 90 days, to **February 9, 2021**.
- The Act requires employers of all sizes to provide sexual harassment training to supervisors by the deadline (or within six months of their assumption of supervisory duties). Employers with at least three employees must provide such training to all other employees, not only supervisors, also by the deadline (or within six months of hire).
- [CT - Commission on Human Rights and Opportunities Link](#)

Illinois Sexual Harassment Training:

- As a reminder there is a legal requirement to conduct sexual harassment training for all employees by **December 31, 2020**. Such training is expected to be conducted at least once per year.
- [Illinois Department of Human Rights - Workplace Transparency Act Link](#)

Upcoming Reminders

Colorado

- Colorado Healthy Families and Workplaces Act (the “Act”) became effective July 14, 2020 and required all employers through **December 31, 2020**, regardless of size, to provide each of their employees paid sick leave for reasons related to the COVID-19 pandemic in the amounts and for the purposes specified in the federal "Emergency Paid Sick Leave Act" in the "Families First Coronavirus Response Act".
- Beginning **January 1, 2021**, for employers with 16 or more employees, and starting **January 1, 2022**, for all employers, the act requires employers to provide paid sick leave to their employees, accrued at one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours per year.
- [Colorado - Healthy Families and Workplaces Act Link](#)

Massachusetts

- As a reminder Massachusetts employees needing to take advantage of the leave afforded by the MA Paid Family and Medical Leave (PFML), first established in June 2018, may do so beginning **January 1, 2021**. Requests for leave specifically to bond with a child as of 1/1 was opened as of **December 2, 2020**.
- **Beginning 1/1/21**, eligible employees may begin to request leave for other purposes as well.
- [MA - Department of Family Medical Leave Link](#)

Upcoming Reminders

- **California Stay at Home Order** - Effective December 5th at 1:00PM
- The Order divides California counties into five regions based on the regional hospital and healthcare systems. The regions are: Northern California, Bay Area, Greater Sacramento, San Joaquin Valley, Southern California.
- Businesses that must close include:
 - Bars, Breweries, Distilleries
 - Wineries
 - Personal Services (hair salons, nail salons, barber shops)
 - Museums
 - Movie Theaters
 - Playgrounds
 - Amusement Parks and indoor recreational facilities
- Places of worship will remain open for outdoor services only
- Schools that are already open can remain open along with critical infrastructure businesses
- Retail businesses may stay open at 20% of capacity and restaurants are limited to take out and delivery only
- This order will remain in effect for at least three weeks
- Additional regions might be required to abide by order if ICU capacity drops below 15%

Client Communications

Prestige Communications

Today's presentation will be posted on PrestigePEO.com under

- [The Prestige Perspective](https://prestigepeo.com/blogs)
prestigepeo.com/blogs
- [COVID-19](https://prestigepeo.com/covid-19/)
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