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SSA/IRS

Reporter

Spring 2018

A Newsletter for Employers

Saver's Credit - Contribute to your IRA by April 17 to reduce your tax bill

You may qualify for the Saver's Credit for contributions you make to an IRA for 2017 on or before April 17, 2018.

Unlike a deduction, a credit is a dollar-for-dollar reduction of your federal income tax liability and this credit can reduce the amount you owe or increase your refund for taxes already paid.

Are you eligible for the credit?

To claim the Saver's Credit for 2017, you must be:

- Age 18 or older,
- Not a full-time student,
- Not claimed as a dependent on another person's return, and
- With an adjusted gross income of not more than:
 - \$62,000 if your filing status is married filing jointly;
 - \$46,500 if your filing status is head of household; or
 - \$31,000 if your filing status is single, married filing separately or qualifying widow(er).

Are your 2017 contributions eligible for the credit?

Eligible contributions include:

1. Contributions to a traditional or Roth IRA, and

2. Salary reduction contributions (including voluntary after-tax and designated Roth contributions) to your employer's 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) or governmental 457(b) plan.

Rollover contributions aren't eligible for the Saver's Credit. Your eligible contributions for the credit may be reduced by any recent distributions you received from an employer-sponsored retirement plan or an IRA.

Amount of the credit

The amount of the credit you can get is based on the contributions you make and your credit rate. Your credit rate can be as low as 10% or as high as 50%, depending on your income and your filing status.

Use the [Form 8880](#), Credit for Qualified Retirement Savings Contributions, to calculate and claim your credit.

Additional resources

- [Publication 4703](#), *Retirement Savings Contributions Credit (Saver's Credit)*
- [Individual Retirement Arrangements \(IRA\)](#)
- [IRA: Frequently Asked Questions](#)

E-Verify is business friendly—Small businesses, get enrolled



E-Verify gives employers, federal contractors, and your small business the peace of mind that newly hired employees are legally authorized to work in the United States.

Small business employers like you are already required to complete [Form I-9, Employment Eligibility Verification](#), for each newly hired employee, and E-Verify

takes the process to the next level. E-Verify is an internet-based system that compares information from an employee's Form I-9 to Social Security Administration records and records available to the U.S. Department of Homeland Security to confirm employment eligibility.

Tips for getting started:

- Make sure your company is not already enrolled.
- Watch the [How to Enroll in E-Verify video](#).
- Review the [E-Verify Memorandum of Understanding \(MOU\)](#).
- Set aside time to complete the enrollment process.

Feel free to review E-Verify resources:

- Read the [Quick Reference Guide for E-Verify Enrollment \(PDF, 1.25 MB\)](#).
- Review the [Enrollment Checklist](#).
- Participate in the [E-Verify Overview and E-Verify in 30 webinars](#) for non-users.

Now you're ready to enroll! Visit the [E-Verify Enrollment page](#) to begin. Stay engaged by following us on [Twitter \(@EVerify\)](#) and [Facebook \(USCIS\)](#).

DHS

IRA Deduction Limits for 2017 and 2018

You may be able to claim a deduction on your individual federal income tax return for the amount you contributed to your IRA. See [IRA Contribution Limits](#).

Roth IRAs

[Roth IRA](#) contributions aren't deductible.

Traditional IRAs

- Retirement plan at work: Your deduction may be limited if you (or your spouse, if you are married) are [covered by a retirement plan](#) at work and your income exceeds certain levels.
- No retirement plan at work: Your deduction is allowed in full if you (and your spouse, if you are married) aren't covered by a retirement plan at work.

These charts show the income range in which your deduction may be disallowed if you or your spouse participates in a retirement plan at work:

2017

- [IRA Deduction if You ARE Covered by a Retirement Plan at Work - 2017](#)

- [IRA Deduction if You ARE NOT Covered by a Retirement Plan at Work - 2017](#) (deduction is limited only if your spouse IS covered by a retirement plan)

2018

- [IRA Deduction if You ARE Covered by a Retirement Plan at Work - 2018](#)
- [IRA Deduction if You ARE NOT Covered by a Retirement Plan at Work - 2018](#) (deduction is limited only if your spouse IS covered by a retirement plan)

Additional resources

- [Publication 590-A](#), Contributions to Individual Retirement Arrangements (IRAs)
- [Publication 590-B](#), Distributions from Individual Retirement Arrangements (IRAs)
- [Individual Retirement Arrangements \(IRAs\)](#)
- [IRA FAQs](#)

IRS

National Social Security Month

For more than 80 years, Social Security has helped secure today and tomorrow with information, tools, and resources to meet our customers' changing needs and lifestyles.

In April, we're celebrating National Social Security Month and encouraging you to take [five steps toward your financial security](#). Planning for the future may seem intimidating to many, but we've broken the task down into small, easy steps:

1. **Get to know Social Security;**
2. **Verify your earnings;**
3. **Estimate your benefits;**
4. **Apply for benefits; and**
5. **Manage your benefits.**

[Our website](#) is easily accessible and available 24/7 with detailed information, publications, frequently asked questions, and other resources for almost any circumstance. You can use our secure services to estimate your future benefit amount, replace a lost Social Security card, or apply for benefits, all without having to visit a local office or calling to speak to a representative. Are you looking for secure access to your Social Security information? Create your personal [my Social Security](#) account today.


Join our efforts to [promote National Social Security Month!](#) Share our social media posts on Facebook and Twitter, or create your own message expressing the success you've had with our many services and programs. We're here for you, through life's journey, at [www.socialsecurity.gov](#). SSA

IRS Lead Development Center working to combat abuse

Identifying and stopping abusive promoters and preparers as early as possible is a high priority to the IRS. The IRS would like your help in identifying promoters of “too good to be true” abusive tax schemes and tax preparers using illegal schemes to avoid paying taxes.

Abusive tax schemes cause harm to both the federal government and the promoter’s clients who participate in these schemes. The Lead Development Center’s mission is to identify and deter individuals who promote abusive tax schemes and/or prepare abusive returns.

Taxpayers should be cautioned not to be taken in by promoters of tax schemes. Those who do get involved in the scams peddled by abusive tax preparers or promoters could face a heavy tax burden that includes not only taxes owed, but the addition of substantial penalties and interest.

Use the [Report Suspected Abusive Tax Promotions or Preparers](#) form to make a referral to the IRS. Learn more about the role of the Lead Development Center and abusive tax schemes at www.irs.gov/scams. 

Creating a payroll risk management plan is a key cybersecurity measure

The IRS’s National Public Liaison regularly issues news releases on identify theft and tax fraud phishing schemes. A favorite of would-be scammers is an email to someone with payroll access that appears to come from a company executive requesting a list of employees and the data from their Forms W-2.

In the past, these emails could be easily spotted because of typos or other anomalies. Today, scammers are more clever and the emails look very real. To avoid phishing schemes, payroll departments and their employers must have risk management plans with verification procedures in place.

Assessment of vulnerabilities

Risk management is not merely an insurance policy, but a means of reducing the need for insurance because you have closed the exploitable gaps. The most important step in a risk management plan is an assessment of vulnerabilities.

While there are similarities among employers, especially in the same industry, every business is different. These vulnerabilities must be examined objectively. The consideration is not whether your longterm payroll manager would sell a copy of employee Forms W-2, but whether he or she could.

Could employees with payroll access make a mistake and respond to an email phishing scheme? Consider internal and external opportunities for wrongful action and mistakes and whether a senior-level employee could work alone or only in concert with other employees or outside fraudsters.

This step also includes an assessment of the consequences of not having a plan in place or plan failure and a regular schedule of review. The cost of a good risk management plan should not exceed the cost of failure. As an employer’s operation evolves so too will risk. Fraudsters also are evolving, which requires constant vigilance.

Cybersecurity measures

Cybersecurity is not a malware detection product, but an overall employer philosophy that requires all employees to exercise vigilance when handling data or using the internet. Make sure that your vulnerabilities assessment includes integrated electronic systems.


This means your payroll management systems in the payroll department and also internet or intranet access to information by any employees checking their own information. Access could also come from computers used every day by employees in satellite office locations or used remotely when on travel or telecommuting. Verification procedures will prevent a fraudster from directly using the system, but many times a hacker will hide in the system and wait for an opening and you may not even know they are there.

Requests for information

Payroll professionals play an important role in providing key managers with information, but much of this information must be protected. You might consider making sure that payroll department procedures require that more than one person verify a request for information. The request also should be checked with the executive making the request. For example, if the chief financial officer requests information, check directly with that person, not an administrative assistant. Regardless of instructions provided in an email, follow preset employer procedures for when information can be provided and how to deliver it. Just because a senior manager asks for information or wants it provided in a certain way, does not mean that the payroll department should comply.

Response to mistakes

If a fraudster has accessed your payroll information, do not hide. The media is full of articles on employers that failed to report a problem immediately or waited until a second problem arose. This bad publicity can add significantly to the problem. In addition, finding criminals is more difficult the longer you wait to report. Your risk management plan should include procedures on what to do both internally and externally. Information on reporting is available on the IRS website at www.irs.gov, through the Department of the Treasury at www.treasury.gov, and the Federal Trade Commission at www.ftc.gov.

Editor’s Note: The American Payroll Association’s strong partnership with the IRS allows it to regularly report on agency alerts regarding phishing schemes. More information on APA is available at www.americanpayroll.org. 



SSA/IRS Reporter is published quarterly, Spring (March), Summer (June), Fall (Sept.), and Winter (Dec.) by the IRS Small Business/Self-Employed Communications Office.

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