Did you know that the federal Office of Child Support Enforcement's (OCSE) website is a valuable resource for employers? OCSE recently updated the website to be more user-friendly especially when using a mobile device or tablet.

Did you know that the Employer page has relevant and current information for employers that have employees with a child support order? The State Contacts & Requirements page averages more than 9,000 viewings per month and provides contact and program information for each state and territory about:

- New Hire Reporting,
- Income Withholding,
- Lump Sums,
- Medical Support, and
- State Disbursement Units

You can also find information about online and electronic services for employers:

- e-IWO - Learn more about automating the Income Withholding for Support Order (IWO) and making the process convenient, accurate, and fast with electronic income withholding orders (e-IWO).
- Multistate Employer Registry - Employers with employees in more than one state can transmit all new hire reports to a single state where they have employees, provided they notify the Secretary of Health and Human Services by registering on the Multistate Employer Registry.
- OCSE Child Support Portal - The OCSE Child Support Portal offers employers online tools to notify nearly all state child support agencies about information regarding their employees and their company:
  - Employer Information Updates - Update contact information, addresses for receiving different types of documents, and supplemental information such as third party providers, company subsidiaries, and the availability of health insurance to employees,
  - Bonus/Lump Sum Reporting - Employee bonuses and other lump sum payments are income that can be garnished to collect child support. Online Lump Sum Reporting is an easy way for you to notify nearly all states at once about upcoming payments.
  - eTerm - With electronic termination (eTerm), you can report employee terminations online. Once registered, you can upload files or enter information on the eTerm application.

There is a wealth of information on our website for employers about these topics and more. If you haven’t checked us out lately, you are missing valuable information.

Questions? Contact the Employer Services Team.
IRS Lead Development Center working to combat abuse

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 include 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.

Increasing child support collections through electronic payments

Employers continue to see the benefits of sending child support payments electronically. Each year, states provide e-payment statistics, and in 2016, they processed 66.5 percent through electronic funds transfers (EFT), an increase of more than 2.8 percent from 2015.

The EFT increase is the result of outreach by child support agencies and Office of Child Support Enforcement’s Employer Services team and e-payment mandates. The Employer Services team sends frequent emails to employers and highlights e-payments in presentations at employer conferences. In addition to outreach, 16 states passed legislation or regulations requiring employers to remit their child support payments electronically, and these states report a higher percentage of collections through EFT.

When employers remit child support payments electronically, it saves time and money, increases accuracy, and delivers child support to families faster.

Increasing the number of electronic child support payments also helps the child support community’s effort to streamline collections.

For more information about converting to electronic payments for child support, contact your state child support agency, visit the OCSE Electronic Payments webpage, or send questions to OCSE’s employer services team at employerservices@acf.hhs.gov.

Do you owe taxes?

If you owe taxes, it’s always good to pay as much as you can to minimize interest and penalties. The IRS offers a variety of electronic payment options to help you do that.

One popular option is IRS Direct Pay. You can pay your tax bill directly from a checking or savings account at no cost, and receive instant confirmation when you submit your payment. It’s flexible as well, allowing you to schedule your payment up to 30 days in advance with the option to change or cancel your payment up to two business days before the payment date.

You can also pay by debit or credit card. The IRS doesn’t charge a fee, but convenience fees apply and vary by processor. These tools are available on IRS.gov or through the IRS2Go mobile app. Download IRS2Go from Google Play, the Apple App Store or the Amazon App Store.

If you need more time to pay, the Online Payment Agreement tool may be the right option for you. To qualify, you must be:

- A taxpayer who owes $50,000 or less in combined tax, penalties and interest and has filed all required returns, or
- A business owner who owes $25,000 or less in combined tax, penalties and interest for the current year or last year’s liabilities and has filed all required returns.

IRS continues to improve and expand taxpayer services by adding new features to your tax account online. You can view your federal tax account balance and 18 months of your payment history.

Before you can access your account online, you must authenticate your identity through Secure Access. This is a two-step authentication process. If you’re a returning user, you must use your credentials (username and password) and request a new security code (sent via text) each time you log in. If you already have a user name and password from Secure Access for Get Transcript Online or Identity Protection PIN, you may use the same username and password.

Share this information with your family, friends and employees. You can visit IRS.gov/payments for more details on payment options.
What’s the latest on Form I-9?

Employers must only use Form I-9, Employment Eligibility Verification, dated 11/14/2016, to verify the identity and work eligibility of every new employee hired after November 6, 1986. Employers should continue to follow existing storage and retention rules for all of their previously completed Forms I-9. Read the M-274 Handbook for Employers Guidance for Completing Form I-9 and News Alert.

Employers: Do you know when to complete Section 3 of Form I-9?

Employers must complete Section 3 when your employee’s employment authorization or documentation of employment authorization has expired or is about to expire (known as “reverification”). Employers may complete Section 3 when your employee is rehired within 3 years of the date Form I-9 was originally completed; or when your employee has a legal name change. Learn more about Form I-9 and Section 3.

Newly hired employees: Choose yes and enter your email address on Form I-9

Newly hired employees have the option to provide an email address in Section 1 of Form I-9. If an email address is provided, E-Verify employers must enter it in E-Verify. Time sensitive email notifications will be sent to employees alerting them to take action about their E-Verify case.

Additional Information
Form I-9 Q&A

Q - What steps should an employer take if they discover a Form I-9 is missing for a current employee?
A - 1) Provide the employee with the current version of Form I-9.
   2) Complete the Form I-9 as soon as possible.
   3) Do not backdate the Form I-9.

See the Fact Sheet for more on Form I-9 guidance.

E-Verify works for small businesses
E-Verify works seamlessly with Form I-9 and is the best way to verify your employees are authorized to work. Access is free and available 24/7. Share your thoughts with us at E-Verify Listens.

Be sure to visit I-9 Central and follow us on Twitter @EVerify for the latest employment eligibility verification news; and see our full webinar schedule on the E-Verify website.

Know what the recent developments are for retirement plans

Here are some recent developments that may affect your retirement plan.

- Employee Plans Issue Snapshots:
  - Identifying highly compensated employees in an initial or short Plan Year
  - Investments in collectibles in individually-directed qualified plan accounts
  - 401(k) automatic contribution arrangements – general annual participant notice
  - 401(k) plan catch-up contribution eligibility
  - 403(b) universal availability requirement
  - Consequences to a participant who makes excess deferrals to a 401(k) plan
  - Change in plan vesting schedules

- Memos and guidelines:
  - Limit on annual additions due to aggregation rules for controlled groups
  - Substantiating 403(b) plan safe-harbor hardship distributions
  - Substantiating 401(k) plan safe-harbor hardship distributions

To make sure you receive the latest retirement plans news, subscribe to the free IRS newsletter Employee Plans News. Also visit (and bookmark) the Tax Information for Retirement Plans Web page on IRS.gov for additional retirement plan resources, such as:

- Resources for individuals
- Retirement plan administration
- Retirement plans FAQs
- Future webinars and recorded events
- Types of retirement plans
- Correcting plan errors
- Forms and publications
Proper tax treatment of group-term life insurance

The handling of group-term life (GTL) insurance can be confusing because of the taxation and withholding rules that employers must follow. Section 79 of the Internal Revenue Code provides an exclusion from income for the first $50,000 of an employee’s GTL insurance. Any amount exceeding $50,000 is taxable to the employee. However, the employer is not responsible for withholding the tax for the employee. The employee must pay the federal income tax owed with his or her personal income tax return.

Procedures for the reporting of GTL insurance may be found in IRS Publication 15-B, Employer’s Tax Guide to Fringe Benefits. Employers must include in an employee’s wages the cost of GTL insurance beyond $50,000 of coverage, reduced by the amount the employee paid toward the insurance with after-tax dollars. It should be reported as wages in Boxes 1, 3, and 5 of the employee’s Form W-2. Also, it should be shown in Box 12 with Code C. The cost of the excess amount is subject to social security and Medicare taxes, and the company may withhold federal income tax on the cost even though it is not required to do so.

The cost of the excess amount must be reported on Form 941, Employer’s Quarterly Federal Tax Return, on Lines 2, 5a, 5c, and 5d. Also, while the cost of the excess amount is not subject to federal unemployment (FUTA) tax, it must be reported on the employer’s Form 940, Employer’s Annual Federal Unemployment (FUTA) Tax Return, in Part 2, Lines 3 and 4.

The cost of the insurance in excess of $50,000 is determined by using IRS Section 79 Table I and the uniform premiums it provides, rather than the actual cost to the employer. Table I lists the cost of each $1,000 of GTL insurance coverage per month, broken down into five-year age brackets.

Because most plans calculate coverage as a multiple of an employee’s base salary, many employers use the employee’s base salary as of January 1 of each year as the base amount for determining insurance coverage. To calculate the monthly total cost of excess GTL insurance to include in an employee’s income:

1. Determine the total amount of the employee’s GTL insurance under the employer’s plan (include coverage purchased by the employer and the employee).
2. Subtract $50,000 from the total amount of GTL insurance coverage, to get the amount of excess coverage.
3. Divide the amount of excess coverage by $1,000.
4. Determine the employee’s age as of December 31 of the calendar year during which the benefit is taxable.
5. Use IRS Table I to calculate the cost of one month of excess insurance per $1,000 and multiply it by the answer determined in step 3.
6. Deduct any after-tax contributions by the employee from the cost of the insurance.
7. Add the cost of the excess amount to the employee’s income, withhold and pay social security and Medicare taxes, and report the cost as required.

Dependents

If an employer provides GTL insurance coverage to an employee’s dependents (spouse and/or children), the cost of up to $2,000 of coverage is excluded from the employee’s income because it is a de minimis fringe benefit. If the coverage exceeds $2,000, its entire cost must be included in the employee’s income after being calculated using IRS Table I and the age of each covered dependent.

If the dependent’s age is not known, the employee’s age is used in the calculation. If the difference between the Table I cost of the dependent life insurance and the amount paid by the employee in after-tax dollars is considered de minimis, then there is no income for the employee.

Unlike GTL insurance on the life of an employee, the cost of dependent GTL insurance included in the employee’s income is subject to federal income tax withholding, as well as social security and Medicare taxes, minus any amount paid by the employee with after-tax dollars. The amount included in the employee’s income is not subject to FUTA tax.