



## COMPLEX U.S. PAYROLL ISSUES II

*Presented with the cooperation of  
the American Payroll Association*

### **Fair Labor Standards Act from a Payroll Manager's Perspective**

- Coverage
- White collar exemptions
  - Administrative
  - Executive
  - Professional
  - Computer-related professional
  - Outside sales
- White-collar exemption problems
  - Docking employees' pay
  - *Family and Medical Leave Act*
  - Combining exemptions
  - Part-time exempt employees
- Auditing exempt employee classifications
- Managing wage and hour audits
- Public contract acts
  - *The Walsh-Healy Public Contracts Act*
  - *The Davis-Bacon Act*
  - *The Contract Work Hours and Safety Standards Act*
  - *The Service Contract Act*
  - *The Copeland Anti-Kickback Act*

### **Family and Medical Leave Act**

- Intermittent leave
- Benefits continuation
- Interaction of FMLA, cafeteria plans, and COBRA
- FMLA recordkeeping

### **Federal Tax Reporting Corrections/Adjustments**

- Replacing and correcting Forms W-2
- Form W-2c
- Form W-3c
- Form 941-X
- Form 843
- Why reconcile wages and taxes case study
- Special wage payments

### **Taxation of Employer-Paid Benefits**

- Business travel expenses
- Whole life insurance
- Adoption assistance
- Advances and overpayments
- Stock options
  - Incentive stock options
  - Employee stock purchase plans
  - Non-qualified stock options
- Non-qualified deferred compensation
  - Income taxation and reporting under Section 409A
  - Social security and Medicare taxation and reporting

### **Complex Benefit Issues**

- Health and welfare plans
- Health insurance
- Long-term care insurance
- Health savings accounts
- Paying COBRA
- Domestic partner benefits

### **Expatriate Taxation Overview**

- Defining expatriates
- Federal income tax withholding
- Social security, Medicare, and FUTA
- U.S. income tax treaties
- Totalization agreements
- Data privacy

### **Resident and Non-resident Aliens Taxation Overview**

- Definition of status
- Federal income tax withholding
- Social security and Medicare taxes
- Visa exceptions
- Paying foreign nationals
- Forms 1042, 1042-S, and 1042-T

### **Special Payroll Topics**

- Workers' compensation
- Unclaimed checks
- Escheat
- Identity theft and the use of SSNs
- Advances and overpayments
- Direct deposit
  - Procedures
  - Resolving deposit issues
- Payroll cards
- Census reporting
- Multiple worksite reporting

### **Payroll Systems**

- System documentation
- Balancing and reconciling
- Processes, procedures, and policies
- Interfaced vs. integrated system
- Manual interfaces
- Testing
- Implementation process
- Maintenance upgrades
- System balancing
- Batch controls
- Managing third-party interfaces

### **Auditing Payroll**

- Phantom employees
- FLSA enforcement and penalties
- Record retention and storage methods
- *Sarbanes-Oxley Act* compliance
- HIPAA records confidentiality

### **Leading a Payroll Department**

- Change management
- Leadership concepts
- Best practices metrics
- Management theories
- Customer satisfaction surveys