Friday, November 4th, 2022

New isolved release: version 8.21

Highlights

isolved version 8.21 includes information regarding the ACA Plan Renewal – Affordability Projection Tool and Vertex updates.

Benefits

- ACA Plan Renewal – Affordability Projection Tool

Payroll

- Vertex updates for Colorado, the District of Columbia, Indiana, Iowa, Kentucky, Ohio, and Oregon

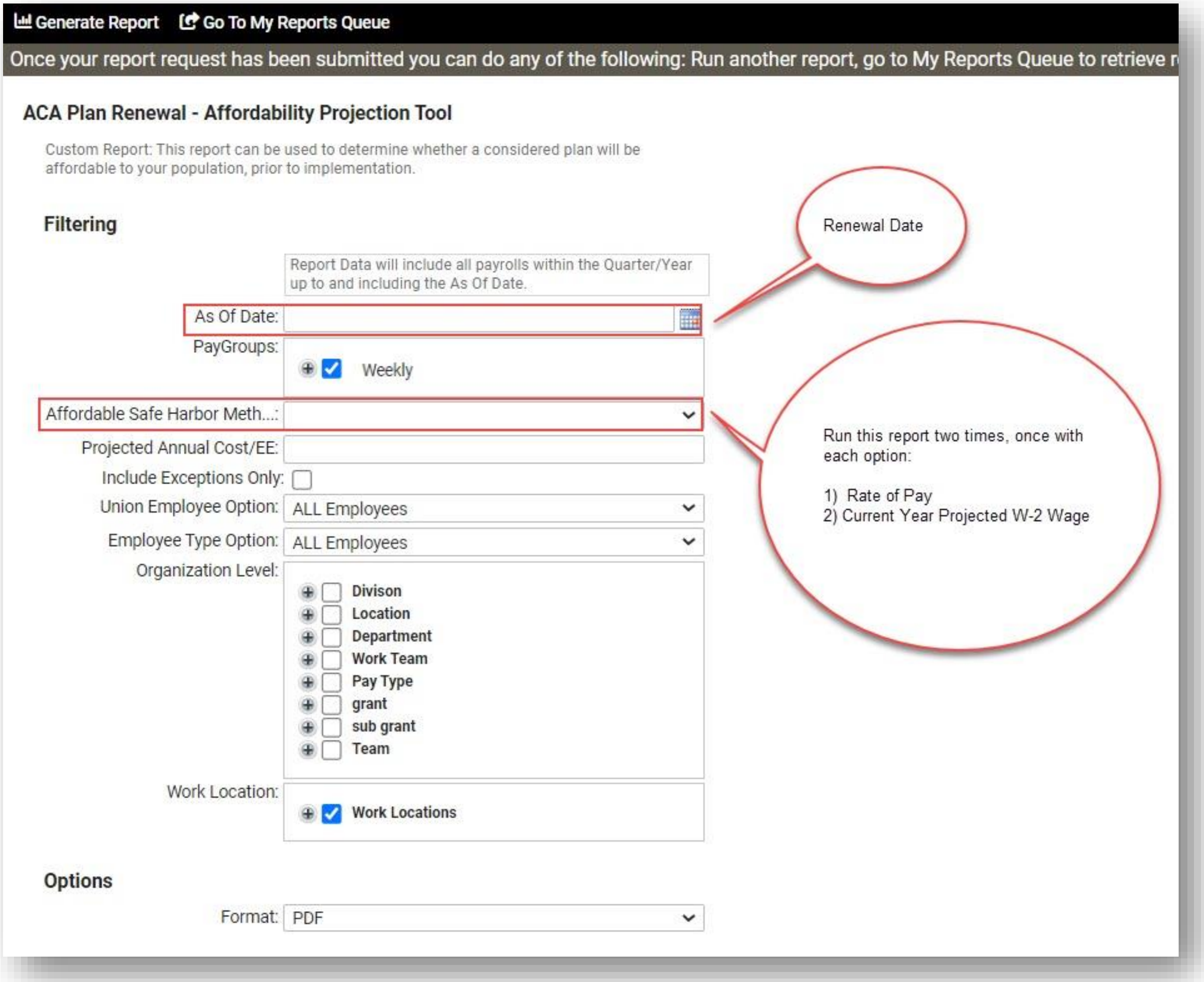
Benefits

Open Enrollment

ACA Plan Renewal – Affordability Projection Tool

Attention Applicable Large Employers (ALEs): Prior to finalizing your benefit contribution strategy, be sure to take advantage of the ACA Plan Renewal – Affordability Projection Tool to confirm your medical plan offering meets the affordability threshold set forth by the IRS.

Navigate to Client Reports and select the ACA Plan Renewal – Affordability Projection Tool. This tool allows you to confirm plan affordability against both the Rate of Pay and Current Year Projected W-2 Safe Harbor calculations. To ensure compliance, your employees should meet the threshold for at least one of the two Safe Harbors.



For more information about the ACA Plan Renewal – Affordability Projection Tool, contact your Benefits Specialist.

Payroll

Vertex Updates

Colorado Paid Family and Medical Leave

The following update has been made in preparation for Colorado's new Paid Family and Medical Leave Program (FAMLI) that goes into effect on January 1, 2023:

- Added Colorado Paid Family and Medical Leave (PFML) tax with an employee default tax rate of .45% and an employer tax rate of .45%
    - Wage base limit will follow the Social Security limit established annually by the Social Security Administration
    - Opt-Out functionality will be added when the 2023 Social Security limit is updated later this year
    - Businesses with nine or fewer employees do not have to contribute to the program but do need to remit their employee's share of the premium on behalf of the employees each quarter
    - Employers are required to begin these premium deductions on January 1, 2023
    - All employers, regardless of size, will be required to register with the FAMLI division before the end of the first quarter 2023 when the first premium payment is due
    - Benefits will become available to workers starting January 2024

Isolved updates to support these changes will be available in a release prior to the end of the year. Visit the Colorado Department Labor and Employment's FAMLI website for additional information about Colorado's Paid Family and Medical Leave Insurance program, including employer and employee responsibilities under the new statute.

District of Columbia Withholding Table Changes

The District of Columbia's withholding tables were revised, effective January 1, 2022:

- The changes are not reflected in the Tax Withholding Instructions and Table Guide
- The standard exemption amount has not been released
- Employees making over $250,000 per year will be under withheld

Indiana Local Tax Changes

Indiana made the following local tax changes, effective October 1, 2022:

- Boone County
    - Increased resident tax rate from 1.5% to 1.7%
    - Increased non-resident tax rate from 1.5% to 1.7%

- Johnson County
    - Increased resident tax rate from 1.2% to 1.4%
    - Increased non-resident tax rate from 1.2% to 1.4%
- Knox County
    - Increased resident tax rate from 1.2% to 1.7%
    - Increased non-resident tax rate from 1.2% to 1.7%
- La Porte County
    - Increased resident tax rate from .95% to 1.45%
    - Increased non-resident tax rate from .95% to 1.45%
- Monroe County
    - Increased resident tax rate from 1.345% to 2.035%
    - Increased non-resident tax rate from 1.345% to 2.035%

Iowa SUI Tax Changes

Iowa made the following changes to SUI tax, effective January 1, 2023:

- Increased the SUI wage base from $34,800 to $36,100
- Decreased the maximum employer SUI tax rate from 7.5% to 7%

Kentucky State Withholding and Local Tax Changes

Kentucky made the following changes to state withholding and local taxes:

- Decreased the state withholding tax rate from 5% to 4.5%, effective January 1, 2023
- Increased the Olive Hill, Carter County Occupational License Fee from 1.5% to 2%, effective October 1, 2022.

New York Paid Family Leave Tax Changes

New York made the following changes to Paid Family Leave (PFL), effective January 1, 2023:

- Decreased the Paid Family Leave tax rate from .511% to .455%
- Decreased the Paid Family Leave annual maximum tax from $423.71 to $399.43

Ohio Local Tax Changes

Athens, Athens County increased their tax rate from 1.8% to 1.95% effective January 1, 2023.

Oregon Tax Changes

Oregon made the following tax changes, effective January 1, 2023:

- Increased the Lane Transit District (LTD) tax rate from .77% to .78%
- Added Paid Leave Oregon tax with a contribution rate of 1% in which employers pay 40% and employees pay 60%:
  - If a business already offers Paid Family Leave, you may be able to apply to use your own plan if your plan offers at least the same benefits as Paid Leave Oregon. The plan would first need to be approved by the Oregon Employment Department.
  - Businesses with fewer than 25 employees do not have to contribute to the program but do need to remit their employee's share of the premium on behalf of the employees each quarter
  - Employers and employees will begin paying into the new program on January 1, 2023
  - Employees can start applying for benefits on September 3, 2023
  - Isolved updates to support these changes will be available in a release prior to the end of the year. Visit the Paid Leave Oregon website for additional information about the Paid Leave Oregon program, including employer and employee responsibilities under the new statute.

For more information about the changes in the version 8.21 release, contact your Payroll Specialist.