March 2019 SPECIAL ISSUE Media Payroll News

Federal Updates: From SSA

The Social Security Administration recently introduced the expansion of online services for residents of NJ through its portal

http://www.socialsecurity.gov/myacco unt. Residents of New Jersey can use the portal for replacement Social Security number (SSN) card requests.

From IRS

The IRS continues to encourage employers to have their employees use the new withholding calculator to determine whether they need to revise their federal income tax withholdings via the 2019 Form W-4. The form can be found at https://www.irs.gov/pub/irspdf/fw4.pdf. Although the Form may look the same, there have been meaningful updates to the instructions and worksheets to reflect changes in tax law, which Media previously communicated to you last year. Please submit any updated Form W-4s to your Media Data Services Account Representative.



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NJ Minimum Wage Will Rise To \$10 on 7/1/19

As Media previously reported to you in our year-end newsletter, the current minimum wage in NJ is \$8.85 per hour, which began on January 1, 2019. However, later this year, NJ will see another increase. Governor Phil Murphy signed a law earlier this year to bring the minimum wage up to \$15 per hour over time. Towards that end, the rate will rise to \$10 per hour on July 1, 2019. Further steady increases will occur as described below until the rate reaches \$15 per hour in 2024.

- NJ Minimum Wage Rate Expected Increases:
- \$10 per hour on July 1, 2019
- \$11 per hour on January 1, 2020
- \$12 per hour on January 1, 2021
- \$13 per hour on January 1, 2022
- \$14 per hour on January 1, 2023
- \$15 per hour on January 1, 2024

Please note: It is the employer's responsibility to instruct your Media Account Representative to make minimum wage rate changes at the time of the expected change. MEDIA INDEMNIFIES ITSELF OF ANY LEGAL RESPONSIBILITY to do so without instruction. In addition, it is the employer's responsibility to ensure that requested changes are made promptly and accurately. Media is not responsible if you do not alert us to errors or omissions promptly. Wage rates are visible on your payroll reports.

Expanded NJ Family Leave Law

In February, Gov. Phil Murphy approved changes to New Jersey's family leave insurance (FLI) program, which is now one of the most generous in the country. Beginning July 2020, FLI will double from 6 to 12 weeks and the time to care for a newborn will increase from 42 to 56 days. In addition, wages under the program will increase to 85 percent of a worker's average weekly salary.

Effectively immediately, the bill eliminates the one-week waiting period before FLI benefits, enacts anti-retaliatory measures, and expands eligibility to include siblings, grandparents, grandchildren, parents-in-law and the equivalent of a family member.

Beginning June 30 this year, employers with 30 or more employees will be required to hold a claimant's job until they return to work. This is down from 50 employees. Funding for the program will continue to come from employee payroll taxes.

For more information on NJ minimum wage, NJ FLI or NJ PSL please visit https://www.nj.gov/labor/.

NY Wage Reporting

Effective for calendar quarters beginning on or after January 1, 2019: NY employers must complete all of Part C, Employee wage and withholding information, including columns d and e, each quarter. Prior to this change, employers were only required to complete Part C, columns d and e annually.

Media is prepared for this change. NJ PSL Update

The waiting period for earned sick time was over on 2/26/2019, in accordance with NJ's Paid Sick Leave (PSL) law that was enacted in October 2018. Under the law, full-time and part-time workers earn paid time off at a rate of one hour for every 30 hours worked up to a maximum of 40 hours. Alternatively, the employer can up front the 40 hours of sick leave at the beginning of each benefit year.

Coming Soon: New NJ Law for Mandatory IRA Program

The New Jersey State Assembly passed a bill last week that would mandate employers to offer New Jersey Secure Choice Savings Program, which would be an automatic-enrollment through a payroll-deduction into an individual retirement program. Governor Phil Murphy is expected to sign the bill into law.

For private sector businesses with more than 25 employees that do not already offer a retirement savings plan, the law would mandate the employer offer New Jersey Secure Choice Savings. Employers would be required to enroll new employees within three months after the date of hire, unless the employee opts out of enrollment. If an employee does not opt out, the contribution rate would be set at 3% of their wages unless they indicate otherwise. Employers with fewer than 25 employees have the option to offer the plan to their employees.

As part of the bill, employers would be required to provide information packets, notifications, disclosures, enrollment material and instructions to employees, subject to regulations issued by a Secure Choice Savings Board created by the bill. Employers would have 24 months to implement and enroll employees after the effective date of the law.

New Jersey would be among the following states that have passed similar laws: California, Connecticut, Illinois, Maryland, Massachusetts, New York, Oregon, Vermont, and Washington.

New Law for Commuter Benefits

In early March, Gov. Phil Murphy signed a law that requires employers with at least 20 workers to provide pre-tax benefits for commuting expenses. The intention of this law is to encourage workers to take public transit. The commuter benefit will be similar to a health savings account. Employers that do not comply could be fined. Although the law takes effect immediately, it will be "inoperative" for a year while the Department of Labor and Workforce Development (DLWD) works out how to implement the rules and regulations for the new benefit. The DLWD will also undertake a promotional campaign along with New Jersey Transit over the next year to bring awareness to employees. For more information please visit <u>https://www.nj.gov/labor/</u>.

MEDIA'S HIGHLIGHTED PAYROLL FEATURES

Media's On-Line Payroll System

The on-line payroll system offers:

- Ability to enter your payroll 24/7.
- Access to payroll reports and tax forms 24/7.
- Ability to control input data, add new employees and edit existing employee data.
- View employees' pay check stubs and W2s.
- Multiple individuals can have their own log-ins with different levels of permission.
- Employees can have log-ins to view their own pay check stubs and W2s.
- You will still have your same account representatives that you already know any time you need assistance.

If you are interested in our on-line platform, please call your Media Account Representative for a more information and a demonstration.

Pay-As-You-Go Workman's Compensation Insurance

Please note that Media's payroll software can seamlessly send payroll data electronically to The Hartford as well as certain other insurance carriers for workers' compensation insurance. If you are interested in this feature, please do not hesitate to call your Media Account Representative.

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