



EMPLOYEE LIABILITY MANAGEMENT, INC.

Things to Know - 2021

Happy New Year!

We just wanted to take a few minutes to go over some of the changes or new programs that have been recently implemented. This is just designed to provide some basic highlights so please feel free to reach out to us for a more detailed discussion.

New Round of PPP

- Available to companies with less than 300 employees who have already used or will use the full amount of the money they received from the initial round of PPP
- Can show at least a 25% reduction in gross receipts in the 1st, 2nd, or 3rd quarter of 2020 compared to the same quarter in 2019
- Second time borrowers will generally be eligible to borrow an amount equal to 2.5 times greater than their average monthly payroll costs. However, some businesses in the food services and accommodation industries may be eligible for loans equal to 3.5 times greater than their average monthly payroll costs.
- Program should be available through your bank now or will be shortly. The program expires March 31, 2021.
- 60% of the money must be spent on payroll with the other 40% able to be used for eligible costs (This list has been expanded) and the same timelines of 8 weeks or 24 weeks still apply.

If you feel that you may qualify for this new round of PPP funds, please contact your financial institution to determine eligibility and exactly what documentation that you will need. We will be happy to help you with whatever payroll reports that you need but please determine the time periods for which you need these reports.

New State Minimum Wage Rates for 2021

Alaska \$10.34	Missouri \$10.30
Arizona \$12.15	Montana \$8.75
Arkansas \$11	Nevada - varies by emp. provided health insurance
California – multiple changes performed	New Jersey – varies by size and type of work
Connecticut \$13 effective 8/1/21	New Mexico \$10.50
Delaware \$10.25 effective 10/21/21	New York \$12.50 effective 7/1/21 (fast food \$15)
Florida \$10	Ohio \$8.80 assuming gross receipts exceed
\$323,000	
Illinois \$11	Oregon \$12.75 effective 7/21/21
Maine \$12.15	South Dakota \$9.45
Maryland – varies by company size	Vermont \$11.75
Mass \$13.50	Virginia \$9.50 effective 5/1/21
Michigan \$9.87	Washington \$13.69
Minnesota – varies by size & sales	

No changes for AL, MS, LA, GA or any other state not listed above

PPP Loan Forgiveness

Based on the requests we have been receiving, many of our clients have already applied for or in the process of applying for forgiveness. However, for those you have not yet begun don't let the thought of it intimidate you. Please reach out to your payroll processor and provide them with your loan amount and the date you received your funds. We will then prepare you some reports that should help you through the application.

What Forgiveness Application do I use? (these are the basic guidelines but you should contact your financial institution for details)

Form 3508S for loans of less than \$50,000

Form 3508EZ for borrowers who are self-employed with no employees **or** for borrowers who did not reduce employee salaries by more than 25% and did not reduce employee hours **or** borrowers who reduced business activity due to Covid-19 health guidelines and did not reduce employee salaries by more than 25%.

Form 3508 Borrowers who do not qualify to use Form 3508S or Form 3508EZ.

DOL Final Rule on tip pooling amendments and the elimination of the 20% dual jobs rule

This new rule will go into effect around the 20th of February 2021. This rule permits tipped employees to pool tips with non-tipped workers so long as the employer does not take a tip credit and, instead, pays such workers a direct wage equal to or greater than the minimum wage. The Final Rule also explains that employers, managers and supervisors are prohibited from keeping any tips regardless of whether or not the employer takes a tip credit.

The 20% rule required employers to pay tipped employees the full minimum wage, rather than the lower cash wage applicable to tipped employees, if an employee spends more than 20% of their time performing allegedly non-tipped duties. This was obviously a very difficult responsibility placed on employers.

The new rule provides that “an employer may take a tip credit for any amount of time than an employee in a tipped occupation performs related, non-tipped duties contemporaneously with, or within a reasonable time before or after their tipped duties.” A non-tipped duty will be considered as “related” to a tip-producing occupation if the duty is listed as a task in the *Occupational Information Network (O*Net)*.

Due to the complexity of this issue and all the variables in place, we would recommend you reach out to a Labor Attorney, accountant and someone in our HR department to help you walk through this new policy. Many factors specific to your personal situation will come into play for determining how your business needs to move forward. We will be getting more information out over the next week on this matter.

WOTC Tax Credits

It has come to our attention that some of our clients were unaware that Work Opportunity Tax Credits (WOTC) might be available to them through their hiring practices. This is a service that ELM currently provides through the use of a third-party vendor (HR Screening Services). ELM does not charge anything for our part of the process but HR Screening Services does charge a percentage from 12% - 15% of any tax credit that your business might receive. This amount might seem high but the process is very complicated and time consuming. We have had a lot of success with using them and feel they do a very good job. However, you are welcome to find your own WOTC provider or attempt to do it yourself and we will still be there to assist.

Some of the WOTC Tax Credits that may be available to you and other regulations that might impact your business:

- Families First Coronavirus Response Act (FFCRA)
- Coronavirus Aid, Relief and Economic Security Act (Cares)
- Employee Retention Tax Credit (ERTC)
- Tax credits for hiring veterans
- Tax credits for hiring ex-felons, qualified long term unemployment recipients, SSI recipients, summer youth employees, etc.

Please contact our Human Resources team for more details HR@elminfo.com

Other Services we provide for no additional cost that might be helpful to your business.

- **Customized Employee Handbooks** HR@elminfo.com
- **New Employee Onboarding** - the vast majority of our clients already use this service but if you haven't converted to it yet we highly recommend doing so. It will eliminate a lot of paperwork and wasted time from your daily schedule. HR@elminfo.com
- **PTO Tracking** HR@elminfo.com
- **Benefits Administration** – we can make deductions and manage your bills for you. Benefits can be reached at Benefits@elminfo.com
- **Additional Optional Employee Benefit Offerings** – ELM offers Blue Cross Dental, VSP Vision, Aflac, Colonial, Employee Discount Programs, Christmas Club, Life Insurance, Long Term Disability Insurance, and now group rates on LifeLock. Contact Benefits for more information. Benefits@elminfo.com
- **Health Insurance** – let ELM do a quote comparison for you. Benefits@elminfo.com
- **Worker's Compensation, Worker's Compensation management, and Safety Programs** – ELM can get you “pay as you go” coverage or simply manage your existing policy. We are also available to do a no obligation safety walk through and even implement a safety program if so desired. They can be reached at WC@elminfo.com
- **Payroll Imports** – If you have your own timekeeping system, we may be able to take a report from your system and import it into our payroll system. Please contact Kimberly to discuss. kimberly@elminfo.com
- **GL Export** – A file can be generated with payroll that can be imported into most GL systems. Please contact Josh to see if it will work with your system. josh@elminfo.com

Additional Services with a small fee

- **New Hire & Random Drug Testing** – ELM can administer drug testing for new job applicants as well as setting up and administering a random drug testing policy. There is a charge of \$30 to \$35 per test to cover our cost. WC@elminfo.com
- **New Employee Background Screening** – ELM can do a nationwide background check on any potential new hire for your company. The cost is \$30 per check to cover our cost but money well spent to save potential liability and unforeseen expense. WC@elminfo.com
- **Time Clock Systems** – ELM offers various options regarding employee time tracking systems. If you are looking for a simple solution for just simply tracking time to a complex solution that includes biometrics and scheduling, we have you covered. Please contact Josh or Tonnie for more information and pricing. josh@elminfo.com or tonnie@elminfo.com
- **401 (k) Program** – ELM has a 401 (k) plan available which can be designed to meet your specific needs. We only charge \$400 per year which covers reporting, compliance and testing. It can be a plan that includes an employer match or simply a plan to help your employees save for their future without a match. Benefits@elminfo.com

W-2s

We are working hard to get these out as fast as we can. We have received a few phone calls from folks trying to use their last check stub. We highly recommend against this. Benefits and other factors may cause the W-2 and last check stub to be different. The best thing employees can do now is to make sure their address is up to date on their last check stub so they will get mailed to the correct address. If changes need to be made please email our Customer Service Department at CS@elminfo.com

A couple weeks after they have been mailed out, they will have been uploaded to the employee portal for reprints.

If you know anyone that could use our services please feel free to send their contact information to Sales@elminfo.com or have them call us @ (251) 470-0700. In May, ELM will celebrate its 21st anniversary and we owe it all to the loyalty and generosity of our clients. We are greatly humbled and appreciative of the opportunity to work for you and your employees.

We hope this helps and we welcome all of our clients to take advantage of everything we have to offer. We are here to work for you and we truly value the confidence that you have placed in us.

Thank You and we wish everyone a much better year in 2021!

Sincerely,

Your Staff @ ELM