



2018 Federal Tax Withholding Guidance Released

The Internal Revenue Service (IRS) has released Publication 15 (Circular E), *Employer's Tax Guide*, for use in 2018.

This publication:

- Details employers' federal tax responsibilities;
- Explains the federal requirements for withholding, depositing, reporting, paying, and correcting employment taxes;
- Lists the forms employers must give to their employees, those that employees must give to the employer, and those that the employer must send to the IRS and Social Security Administration; and
- Features the tax tables to calculate the taxes to withhold from each employee.



Publication Highlights

Highlights of the 2018 publication include the following:

- **Social Security and Medicare Tax for 2018.** The Social Security tax rate is **6.2%** each for the employee and employer. The Social Security wage base limit is **\$128,400**. The Medicare tax rate is **1.45%**

each for the employee and employer. There is no wage base limit for the Medicare tax.

- **2018 Withholding Tables.** The publication includes the 2018 Percentage Method Tables and Wage Bracket Tables for Income Tax Withholding.
- **Withholding Allowance.** The 2018 amount for one withholding allowance on an annual basis is **\$4,150**.

[Click here](#) to access the 2018 IRS Publication 15.

For additional tax information, please visit our section on [Employer Tax Laws](#).

DOL Updates Employer CHIP Notice

The U.S. Department of Labor (DOL) has updated its model notice for employers to provide information on eligibility for premium assistance under Medicaid or the Children's Health Insurance Program (CHIP). This notice is generally updated twice a year. [Click here](#) to download the updated notice in PDF format.



Annual Notice Requirement

Employers that provide health insurance coverage in states with premium assistance through Medicaid or CHIP must provide employees with the Employer CHIP notice **annually before the start of each plan year**. An

employer can choose to provide the notice on its own or concurrent with the furnishing of:

- Materials notifying the employee of health plan eligibility;
- Materials provided to the employee in connection with an open season or election process conducted under the plan; or
- The summary plan description (SPD).

The updated model notice includes information on how employees can contact their state for additional information and how to apply for premium assistance, with information current as of **January 31, 2018**.

For more on the benefits notices requirements that apply to your business, check out our [Benefits Notices by Company Size](#) section.

Top 5 New Hire Forms

An employee's first day on the job can be very stressful for both the employee and employer. While trying to set up the employee with his or her parking pass, email account, and other necessities, employers should also remember that completing the following forms is just as important.



1. **Form I-9:** Under federal law, employers are required to verify the identity and employment authorization of each person they hire by completing and retaining Form I-9, *Employment Eligibility Verification*. Newly hired employees must complete and sign Section 1 of Form I-9

no later than the first day of employment. [Click here](#) to download Form I-9.

2. **Federal Form W-4:** An employee must complete federal Form W-4 for the employer to withhold the correct federal income tax from the employee's pay. [Click here](#) to download federal Form W-4.
3. **State Form W-4:** In states with a state income tax, an employee must complete a state Form W-4 (or its equivalent) in order for the employer to withhold the correct state income tax from the employee's pay. To obtain a state Form W-4, contact your state's [taxation department](#).
4. **Basic Employment Information Sheet:** Employers should keep certain basic information about each of their employees on file, including their address, phone number, and emergency contact. [Click here](#) to download a Basic Employment Information Sheet.
5. **Direct Deposit Authorization Form:** It is now easier than ever for an employer to directly deposit an employee's paycheck into his or her bank account. Such deposits, however, must be specifically authorized by the employee. [Click here](#) to download a Direct Deposit Authorization Form.

Visit our [Recruitment & Hiring](#) section for more great onboarding tips.

3 ACA Terms Employers Need to Know

In general, under the employer shared responsibility ("pay or play") provisions of the Affordable Care Act (ACA), applicable large employers—generally those with **50 or more full-time employees**, including full-time equivalent employees—may be subject to a penalty if they do not offer **minimum essential coverage** that is **affordable** and provides **minimum value** to their full-time employees (and their dependents).



Here are definitions to help employers understand these key terms:

Minimum Essential Coverage: Minimum essential coverage includes, among other things, coverage under an employer-based plan (including self-insured plans, retiree plans, and COBRA coverage). It **does not include** fixed indemnity, life insurance, dental, or vision coverage. [Click here](#) for more on what qualifies as minimum essential coverage.

Affordable Coverage: For purposes of pay or play, coverage is generally considered affordable for plan years beginning in 2018 if the employee's required contribution for the lowest cost self-only health plan is **9.56% or less** of his or her household income for the taxable year. Given that employers are unlikely to know an employee's household income, for purposes of pay or play, they may use a number of [safe harbors](#) to determine affordability, including reliance on Form W-2 wages.

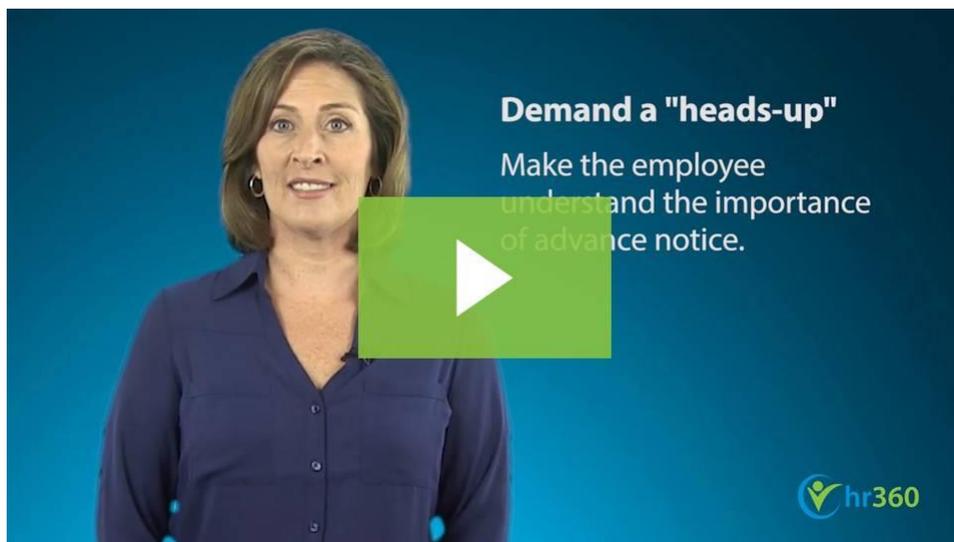
Minimum Value: An employer-sponsored plan provides [minimum value](#) if it covers **at least 60%** of the total allowed cost of benefits that are expected to

be incurred under the plan, and provides substantial coverage of inpatient hospitalization and physician services.

Check out our [Pay or Play](#) section for helpful ACA affordability and penalty calculators.

Managing the Excuse-Makers

Some employees always seem to have an excuse for failing to meet expectations. Luckily, there are strategies managers can use to turn repeat excuse-makers into productive team members, before giving up on them completely. Learn about these strategies in the video below.



To learn more about employee discipline, visit our [Discipline & Termination](#) section.

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