



Central Iowa Chapter APA

November Newsletter

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P.O. Box 131
Des Moines
Iowa 50301



Our Mission

The Central Iowa Chapter of the American Payroll Association is dedicated to providing information and education, support and networking opportunities to professionals involved in all aspects of payroll through our meetings, our newsletters, and our website. The Chapter strives to be a respected, essential and effective partner in the business community and to provide support to the national American Payroll Association.

Letter from the President

Greetings -

Where did the year go? It's been a very busy year for Payroll with COBRA premium subsidies, HIRE Act social security tax exemptions, revised Forms 941 and 941-X, ending the advanced earned income tax credit, figuring how to report the value of health related benefits in 2011 – only to have it suspended for a year, PPACA, EGTRRA sunset, Health Care Reform, the growing number of credit reduction states for federal unemployment tax, Military Spouses Residency Relief Act...I could go on and on. Next year won't be any easier. Many new challenges and changes are in store that will impact payroll. I encourage you to research, read, learn, and absorb as much as possible. Keep others in your organization informed of the changes that impact your company. Payroll is one of the most heavily regulated areas of business. It's our responsibility to have the knowledge to keep our organizations in compliance with all federal, state, and local regulations.

I'm thankful for the American Payroll Association as well as the Central Iowa Chapter. The knowledge shared within these groups, and the networking friends I have made, make my profession much more manageable and enjoyable. Thank YOU for being a member.

Happy Thanksgiving!

Sally Thomson, CPP

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Upcoming Meetings & Education

Month	Day/Date	Location	Topic/Speaker
December	Wednesday, December 1	Airport Holiday Inn	Year End Update/Kristy Maitre
January	No Meeting		

If you have suggestions for chapter meeting topics, email them to Education@centraliowaapa.org.



Study Group



The next study group session will begin on February 3rd using the 2010 Payroll Source. It will be meeting at EFCO Corp (1800 NE Broadway) on Thursdays from 6-8 pm.

Please contact Sara Stafford at 515-313-4251 or sara.stafford@efcoforms.com if you have any questions or are interested in attending the next study group session.

CIAPA Chapter News



Central Iowa Chapter American Payroll Association

Meeting Minutes

November 9, 2010 5:30 pm

The regular monthly meeting of the Central Iowa Chapter of the American Payroll Association was held at the Holiday Inn on Merle Hay Road on Tuesday evening November 9, 2010. A dinner meal with the choice of chicken or pork tenderloin with sides and dessert was served to members.

Sally Thomson, CPP, President, called the business meeting to order at 6:15 pm. She had all officers present stand up and introduce themselves and state the position they hold for the chapter. Debby Hauk, Vice President, updated members on the status of the new website company, Star Chapter. She said training will take place this week. She stated that members should find the new website more user-friendly.

Luther Philpott, Treasurer, announced the balance in the checking account at \$16,655.43.

No reports were given from Secretary, Government Liaison Officer, Nominations, or Membership.

Barb Craig, Hospitality, announced that our December meeting will be held at the Airport Holiday Inn on Wednesday, December 1st. The meal will be \$25 and will consist of a choice of Italian chicken or roast beef as the main course with French silk pie for dessert. Kristy Maitre will be our speaker and will be talking about preparing for year end and changes occurring in 2011. Sally mentioned that the chapter normally doesn't schedule meetings on Wednesday nights but this was the only date that Kristy was available. Barb mentioned that it will be important to have your reservation in by November 24th if you plan on attending the meeting.

Sally announced that Lindsey Fausch, FPC, will be moving with her husband to the Netherlands and that Deanne O'Hollearn, CPP, will be taking over the duties of NPW/Community Development. Deanne announced that our next project will be adopting two families with the Iowa Heart Connection during the holiday season. These families reside in Iowa and are involved in the hospital based program due to a child in the family having a form of cancer. Members of our chapter are asked to bring donations from a list that will be

provided and the chapter also donates gift cards for groceries, gas, etc.

G. Ann Jensen, CPP, Newsletter Communications announced the deadline to have information to her for the November newsletter is 11/12/2010. (The deadline for December's newsletter will be 12/9/2010.)

The minutes for the previous meeting were approved with no objections or changes.

Under new business, Sally mentioned a position is listed on our website. Hire Quality Solutions is looking for a payroll specialist. Contact Nan Boland if interested. She also mentioned the United Way is asking for volunteers for the VITA (Volunteer Income Tax Assistance) program which helps low income families with filing their income taxes and answering questions. If interested, please contact Rachel Brown at 515-554-1417. Sally also went through a handout received at the APA Preparing for Year End and 2011 class. She stated that she has been working on updating the Iowa garnishment law. She is working with the APA and NARCA and participants of the group will be testifying to subcommittees soon. They are hoping to eliminate the expiration date, remove the non-consumer credit table, remove the annual limit, and have the capability to make payments directly rather than going through the sheriff's office.

Christy Jungman introduced the speaker for the evening, Krista Turner. She is Underwriting and Risk Services Manager at Merit Resources. Her presentation was on "Connecting the Dots: Payroll and Workers' Compensation". She explained the roles the employer and employee have in making claims for worker's compensation.

Meeting was adjourned around 7:20 pm.

Respectfully submitted by Susan Nielsen, CPP.



Christmas Community Service Project

Again this year our Chapter is adopting two families with the Children's Cancer Connections (The Heart Connection). The Children's Cancer Connection provides support services and programs for children with cancer and their families. These services and programs are provided to all children diagnosed, living in and/or being treated in Iowa.

Anna's Family consists of her and her mother. Avery is a 6 year old girl, has 4 siblings, mother and father.

We would like to purchase gifts for these families and are asking our members to get involved! We ask that you bring the gift items to the December meeting. If possible, please bring the gifts wrapped and make sure to label the gifts by child's age or name. This will help ensure the gift gets to the appropriate child. If you are unable to make the December meeting and still wish to supply a gift, please e-mail Deanne O'Hollearn at communitydev@centraliowaapa.org and I can arrange a time to pick up the gifts. I will be delivering the gifts on December 15. Monetary gifts can be sent to Central Iowa APA, P.O. Box 131, Des Moines, Iowa 50301, Attention Deanne O'Hollearn.

PRIOR to making any purchases, please contact Deanne at the email address above. She will be keeping a list of items purchased to make sure all children receive gifts.

Remember:

- ▲ Obtain a gift receipt, if possible
- ▲ You may be able to get a discount if you mention you are purchasing a gift for The Heart Connection. (you might want to speak with a store manager first)
- ▲ Please gift wrap and label your gifts with the child's name and/or age
- ▲ Your purchase may be considered a tax deduction to Heart Connection

The wish lists are a supplement to the Newsletter. Once again, thank you so much, this will make a huge difference to these families.

Deanne O'Hollearn
Community Service Chairperson



Payroll Source Order 2011

It is time to place orders for the 2011 Payroll Source. Because the chapter will be placing the order, we will receive the APA National member price. The National prices are \$219.95 for the Payroll Source Book only; \$369.95 for the Research Ready CD only and \$460.00 for both the Payroll Source Book and the Research Ready CD. As before, the more we order the better the discount we receive, which can be up to 30%.

You will be receiving more information by e-mail shortly. Orders will need to be submitted by January 3, 2011. Again, the price will depend on how many orders we receive.

Debby Hauk
Vice President

Statewide Conference Co-Chairs Still Needed

Co-chairs are needed to begin planning the 2011 statewide conference. If interested, please contact Sally Thomson at president@centraliowaapa.org.



Welcome to the following new member:

Stacey Earley

We look forward to seeing you at our meetings!

UNITED WAY VOLUNTEER OPPORTUNITY

United Way of Central Iowa is seeking volunteers for the Volunteer Income Tax Assistance (VITA) program. VITA volunteers serve as greeters, Spanish translators, processors, tax preparers and quality reviewers to prepare taxes at no charge for low-to-moderate income workers. Tax preparers and quality reviewers will be provided with training and materials to become IRS-certified, offered online or in a classroom setting. Located in Des Moines and surrounding communities, tax sites are

open daytime, evening and weekend hours. Volunteers choose the site and schedule that is most convenient. In 2010, VITA assisted 2277 low-income workers and brought back a total of \$3.7 million to our community. Learn more about this important community effort and join our volunteer team at www.unitedwaydm.org/vita. With questions contact Rachel Brown, VITA Volunteer Manager at rbrown@unitedwaydm.org or 515-554-1417.

Several chapter members have volunteered their services with VITA over the past few years. Please consider helping out!

Year-End Action Item

IRS regulations (Reg. 31-3402(f)(2)-1(c)(3) require employers to remind their employees to file an amended Form W-4, Employee's Withholding Allowance Certificate, if their filing status, exemption allowances, or exempt status has changed since the last filing of their Form W-4. **This notice must be provided by December 1 of each year.** If the employee has no changes, there is no requirement that a new form be completed.

State Tax Treatment For Health Care Of Adult Dependents

We found a good website that lists the state laws pertaining to 'eligible dependents' for taxation of health care costs. States that have not passed recent Internal Revenue Code conformity legislation or issued guidance on the tax treatment will consider the cost of covering adult dependents on health insurance taxable.

<http://www.ncsl.org/default.aspx?TabId=14497>



National APA News



www.americanpayroll.org

IRS Explains OTC Drug Rule Changes for FSAs

The IRS has issued guidance to help employers understand new rules restricting reimbursements for over-the-counter drugs through employer health plans, including FSAs, HRAs, HSAs, and MSAs. The new rules take effect January 1, 2011, and they apply to amounts spent during your plan's grace period in early 2011.

Read an [article](http://info.americanpayroll.org/pdfs/am/FSA2011-Update-News.pdf) on how the new restrictions may affect your cafeteria plan and require plan amendments to stay in compliance at <http://info.americanpayroll.org/pdfs/am/FSA2011-Update-News.pdf>.

Jody Parsons Quoted in Bloomberg News Article

Jody Parsons was quoted in the article “Employers in U.S. Start Bracing for Higher Tax Withholding” by Timothy Homan in the Bloomberg News along with other APA experts in October. Jody’s quotes is below, but to read the complete article, go to: <http://www.bloomberg.com/news/2010-10-27/tax-debate-delay-has-employees-in-u-s-preparing-for-smaller-take-home-pay.html/>.

‘Jodi Parsons, manager of payroll and accounts payable at IFMC, a health care management company based in West Des Moines, Iowa, said if the IRS issues two sets of withholding tables, her two-person office could be overwhelmed with processing changes to W-4 forms.

“We’d have to basically go back and hand calculate checks for all 800-900 employees to determine whether or not we need to deduct additional taxes from them or refund taxes,” Parsons said. “We’d like to see changes in mid-November just to make sure we have time.” ‘



Congress is the Premier Payroll Event of the Year!

Congress 2011 Registration is Open

Searching for the tools to triumph over compliance challenges and reach peak performance? [Find out more](#) about the 29th Annual Congress in Salt Lake City, UT. **Save \$100** when you [register by December 31st](#).

APA's Annual Congress offers a wide variety of educational workshops, the world's largest payroll, accounts payable, and finance Expo, with over 100 exhibitors, and countless networking and motivational opportunities among 2,500 attendees. Congress 2011 is being held at the Salt Palace Convention Center in Salt Lake City, Utah

APA Free Webinar

Maximizing Paycard ROI – How Employers and Employees Make the Most of Payroll Card Savings

Wednesday, November 17th, 1:00 p.m. – 2:00 p.m. ET
Attend this free webinar and receive 1 RCH.

Payroll card programs vary widely in terms of their adoption rates, fee structures, paycard offerings, and overall success. This webinar teaches you to identify the features that help maximize the cost savings associated with adopting paycards or revamping your program while making the most of the benefits to employees. Understand the essential role electronic paystubs play in achieving maximum ROI with your electronic pay solution, and how to achieve superior electronic payroll adoption rates with a payroll card program that is compliant in all 50 states.



Government Liaison Corner

If you have questions, you can contact Debby Haning at glo@centraliowaapa.org.

No Change to Iowa Withholding Tax Tables in 2011

The Iowa withholding tables will not change for 2011. The tables, which became effective April 1, 2006, should continue to be used by employers.

IRS Releases 2011 Pension Plan Limit Amounts

The limitation on the exclusion for elective deferrals described in Section 402(g)(3)—for 401(k)-type plans, Section 403(b) plans, and Section 457 remains at \$16,500 for 2011. Many other pension plan limit amounts are unchanged, the Internal Revenue Service said in an information release (IR-2010-108).

For 2011, the limitation for defined contribution plans under section 415(c)(1)(A) is unchanged at \$49,000; the general definition of a highly compensated employee remains at \$110,000; and the definition of a key employee in a "top-heavy plan" remains at \$160,000. IRS also said that the limited compensation amount under Treasury Regulations and Internal Revenue Code Section 1.61-21(f)(5)(iii) will remain at \$195,000 and the general annual compensation limit will remain at \$245,000.

The full text of IRS's announcement is in the IRS Newsroom website:
<http://www.irs.gov/newsroom/article/0,,id=229975,00.html>.

Year End Verifications

By now most payroll departments are well into planning for 2010 year end and for the upcoming changes for 2011.

Remind employees to update their addresses if they have moved and verify that the name on their paystub matches the name on their Social Security card.

Few 2011 Increases For Inflation-Adjusted Items

A revenue procedure for inflation-adjusted items for 2011 was released Oct. 28 by the Internal Revenue Service. The procedure (Rev. Proc. 2010-40) lists these 2011 adjustments along with the 2010 amount in parentheses:

Adoption assistance programs: \$13,360 (\$13,170)

Medical savings accounts: \$2,050 to \$3,050 annual deductible for single coverage (\$2,000 to \$3,000), with out-of-pocket expenses not exceeding \$4,100 (\$4,050); and \$4,100 to \$6,150 for family coverage (\$4,050 to \$6,050), with out of pocket expenses not exceeding \$7,500 (\$7,400).

Foreign earned income exclusion: \$92,900 (\$91,500).

IRS said the revenue procedure does not include index amounts for the qualified transportation fringe, the tax rate tables, the standard deduction, the personal exemption, the earned income credit, and other items. Those items will be addressed in future guidance.

The revenue procedure is available on the IRS website: <http://www.irs.gov/pub/irs-irbs/irb10-40.pdf>

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