Payroll Accounting 2016 2nd edition Landin Solutions Manual

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SOLUTIONS MANUAL: CHAPTER 2 END OF CHAPTER ANSWERS

ANSWERS TO STOP AND CHECK EXERCISES

What's in the File?

1. a,b,d,e

2. b

3. d

4. a

5. c

Who Are You?

1. Student answers will vary. One possible way to prove both identity and employment is a current U.S. passport. Alternatively, a current state-issued driver's license and a social security card will work for the purposes of the I-9.

2. Student answers will vary. Many students may underestimate their estimated exemptions.

Worker Facts

1. Nonexempt

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2. Exempt workers receive a fixed amount of money and generally direct the actions of other employees; nonexempt workers are eligible for overtime, and generally have their work directed by a manager.

3. A beverage distribution driver, full-time life insurance agents for a single life-insurance company, home workers that use furnished materials, traveling salespersons who work on a single employer's behalf.

Who Does Which Job?

Student answers will vary. The answer should reflect a clear separation of duties, cross-training, rotation of tasks, and security protocols.

Internal Controls and Audits

1. b

2. c

Destroy and Terminate

1. Paper payroll records should be shredded or burned. Computer records should be purged from the server and all other storage devices.

2. Charlie should receive his final pay on October 12, and not later than October 13. His employer is not required to provide him with a severance package, although he may be eligible for his accrued vacation pay.

ANSWERS TO END-OF-CHAPTER MATERIALS

REVIEW QUESTIONS

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1. What are some internal controls for a payroll department?
    1. Payroll system design, authorized signers, documentation, and review of the process
2. Why should more than one person prepare/verify payroll processing?
    1. Internal controls and verification to avoid fraud or theft
3. What documents are required in all new hire packets?
    1. I-9 and W-4
4. Why are new hires required to be reported to the state's employment department?
    1. The enforcement of child support and legal withholdings, ensuring immigrants are still eligible to work, verification of professional licensing/qualifications, administration of COBRA benefits
5. When must a terminated employee be paid his or her final paycheck?
    1. This is a state specific regulation time ranging from the point of discharge to no time requirements.
6. What are the five main payroll frequencies?
    1. Daily, weekly, biweekly, monthly, semi-monthly
7. What are some of the best practices in establishing a payroll system?
    1. Keep any requests for leave with the related paystubs, file retention schedule, have more than one person responsible for the duties/verification, and separation of duties
8. What are the important considerations in setting up a payroll system?

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1. Pay frequency, pay types, method of payment, benefits, manual/computerized/outsourced payroll processing, file security system

9. What are the different tasks involved in payroll accounting?

   1. Entering the employees, entering the hours, calculation of gross wages, preparation of paychecks, payment of taxes, reporting requirements

10. When does a payroll record retention period begin?

    1. Disbursement of pay

11. What agencies or organizations can audit a company's payroll records?

    1. The Internal Revenue Service (IRS)
    2. Federal and State Departments of Labor
    3. Department of Homeland Security
    4. Other state and local agencies
    5. Labor unions

12. How long must employers keep terminated employee records?

    1. Seven years

13. Are independent contractors included in company payroll? Why or why not?

    1. It depends; some independent contractors are not included in the company's payroll, but are treated as vendors. Some independent contractors are considered statutory employees and would be included in the company's payroll.

14. What is the difference between termination and resignation?

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1. An employee is terminated by the employer; when the employee initiates the separation it is a resignation.

15. What is the difference between weekly, biweekly, semi-monthly, and monthly pay periods?

1. A weekly pay period is for one week, biweekly pay period is two weeks long, semi-monthly pay period is twice a month, and monthly pay period is once a month.

EXERCISES SET A

2-1A. Amanda, a nonexempt employee at Old Tyme Soda Distributing, works a standard 8:00–5:00 schedule with an hour for lunch. Amanda works in a state requiring overtime for hours over 8 per day and for those over 40 in a week. During the week she worked the following schedule:

Monday	8:00–11:00	12:00–4:30	7.50
Tuesday	8:00–11:00	12:00–5:15	8.25
Wednesday	8:00–11:00	12:00–5:00	8.00
Thursday	8:30–5:00	(no lunch)	8.50
Friday	8:00–6:00	(no lunch)	10.00

Based on a 40-hour work week, does she qualify for overtime under FLSA regulations? If so, how many hours of regular time and overtime did she work?

1. Yes, since overtime is calculated per day and per week, Amanda is eligible for 2¾ hours of overtime. She will be paid for 39½ hours of regular time.

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2-2A. Jason is a salaried employee earning $75,000 per year. Calculate the standard gross salary per pay period under each of the following payroll frequencies:

a. Biweekly 75,000/26 = $2,884.62
b. Semi-monthly 75,000/24 = $3,125.00
c. Weekly 75,000/52 = $1,442.31
d. Monthly 75,000/12 = $6,250.00

2-3A. Katherine quit her job after four years with Canvas Emporium on July 10. Canvas Emporium pays employees semi-monthly on the 15th and last day of each month. Upon quitting, the company had a paid holiday for July 4th, Katherine had 16 hours of vacation accrued she had not used, and she had worked 52 hours, but was not eligible for overtime. Katherine earned an hourly wage of $16.50 at the time of her separation. Calculate Katherine's final gross (pre-tax and deductions) paycheck.

1. (8 hours holiday +16 hours vacation +52 regular hours) * 16.50/hour = $1,254.00

2-4A. Angela, a resident of Texas, terminated her employment on December 11, 2014. By what date should she receive her final pay? Review your state's requirements for document retention (search the available resources for educational and governmental record retention). When will the company dispose of her payroll records?

1. Since Angela terminated her employment, her payroll will process as normally with the next payroll processing. If the company had terminated Angela, then payroll must pay within 6 days of termination. The company should keep her final pay information for seven years from the date of termination before destruction.

2-5A. A company operating in California is required to hold their payroll records for three years. They work on governmental contracts that require the payroll record retention for two years. Additionally the company has international contracts stipulating that payroll records must be maintained for six years. How should the company balance these requirements?

1. The longest period of retention should be enforced.

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2-6A. Jacob needs additional filing space at the end of the year in the company's offsite, secured storage. He sees several boxes marked for the current year's destruction. What methods can Jacob use to dispose of the payroll records? What steps should he take to ensure the company is not under obligation to retain these records further?

1. Destruction methods of confidential payroll documents include incineration, confidential shredding services, or pulping of the paper records. Prior to destruction of the documentation, Jacob should make sure that all of the documents are eligible for destruction. Reviewing the documentation to see if any paperwork related to legal cases or audits are included is just one example. Jacob could check with a manager or records retention specialist for any questionable items prior to destruction.

2-7A. The controller has requested your assistance to price various accounting software programs available for document retention, payroll preparation, and financial reporting. What requirements should you ensure are present in the computer program?

1. Availability of handling various payroll types, processing timelines, updates of tax tables, maintaining confidentiality, and options for retention schedule implementation.

2-8A. Johan works for Noland Industries as an independent contractor. He has asked you to withhold Social Security and Medicare taxes from his fees. What advice should you offer Johan?

1. Assuming that Johan is not classified as a statutory employee by the IRS, as an independent contractor his fees would be paid as a vendor, and payments for Social Security and Medicare would be his responsibility.

2-9A. What are the forms of identification that establish identity for the I-9? How long does a company retain copies of an employee's I-9?

1. Passport or passport card—if foreign, a right to work (visa) is required, driver's license, social security card, state issued identification card, birth certificate, or special items for those under age 18, permanent residency card, foreign passport with I-551 stamp, employment authorization document with photograph (Form I-766), Form I-94 with either foreign passport or passports from Federated States of Micronesia or the Republic of the Marshall Islands, federal issued identification card with

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photograph, school identification card with photograph, voter's registration card, U.S. military card or draft letter, military dependent's ID card, U.S. Coast Guard Merchant Mariner Card, Native American Tribal ID Card, Canadian drivers' license.

2. FSLA requires that employee records should be retained for two years following termination of an employee, the I-9 is part of an employee's records.

2-10A. Sue is a citizen of the Northern Pomo Indian Nation. She provides her social security card along with an official Northern Pomo Nation birth certificate as proof of employment eligibility for her I-9. Is this sufficient documentation?

1. Yes, these are acceptable since this would fulfill the requirements of items from type B and type C of the acceptable documents.

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2-11A. Complete the W-4 for employment at Bernie's Bar and Grill

Kierstan Amber Winter-Casey

542 Sole Point Road

Sitka, Alaska 99835

SSN: 988-65-3124

Single, head of household

2 dependents

Eligible for the Child tax credit

$1,500 in child care expenses

Additional information needed to be able to accurately complete the W-4:

1. Total income for Kierstan? Depending on total income, the response to G, Child Tax Credit may be either 1 per child or 2 per child.

2. Any additional amounts to be withheld?

3. Is she claiming the withholding exemption?

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Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4*.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A	1
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B	1
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D	2
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E	1
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G	2
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ▶	H	7

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

▶ **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074

2015

1 Your first name and middle initial	Last name	2 Your social security number
Kierstan A	Winter-Casey	988-65-3124

Home address (number and street or rural route): 542 Sole Point Road

City or town, state, and ZIP code: Sitka, AK 99835

3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate.
Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.

4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ ☐

5	Total number of allowances you are claiming (from line H above **or** from the applicable worksheet on page 2)	5 7
6	Additional amount, if any, you want withheld from each paycheck	6 $
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ▶	7

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) ▶ **Date** ▶

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form **W-4** (2015)

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2-12A. Complete the I-9 for employment at Excelsior College. Be sure to complete the "preparer" section.

Meaghan Ariel Lambert

Maiden name: Smith

Social Security number: 123-45-6789

Date of Birth: 7-1-1984

552 Coddington Road

Rio Nido, California 95555

U.S. Citizen

Passport number 5397816, issued by the United States State Department, expires 10/31/2018

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Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

►START HERE. Read instructions carefully before completing this form. The instructions must be available during completion of this form.
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	Other Names Used *(if any)*
Lambert	Meaghan	A	Smith

Address *(Street Number and Name)*	Apt. Number	City or Town	State	Zip Code
552 Coddington Road		Rio Nido	CA	95555

Date of Birth *(mm/dd/yyyy)*	U.S. Social Security Number	E-mail Address	Telephone Number
07/01/1984	123-45-6789		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☒ A citizen of the United States

☐ A noncitizen national of the United States *(See instructions)*

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date *(mm/dd/yyyy)*:

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:	Date *(mm/dd/yyyy)*:

Last Name *(Family Name)*	First Name *(Given Name)*

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1: Lambert, Meaghan A

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title: U.S. Passport		Document Title:		Document Title:
Issuing Authority: United States State Department		Issuing Authority:		Issuing Authority:
Document Number: 5397816		Document Number:		Document Number:
Expiration Date *(if any)(mm/dd/yyyy)*: 10/31/2018		Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

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EXERCISES SET B

2-1B. Connie, a nonexempt employee of Westside Motel, works a standard 6:00–3:00 p.m. schedule with an hour for lunch. Connie works in a state requiring overtime for hours over 8 per day and for those over 40 in a week. During the week, she worked the following schedule:

Monday	6:00–10:30	11:15–3:00	8.25
Tuesday	6:15–10:45	11:45–3:15	8.00
Wednesday	5:45–10:00	11:00–3:30	8.75
Thursday	7:00–12:00	1:00–3:00	7.00
Friday	6:00–3:00	(no lunch)	9.00

Based on a 40-hour work week, does she qualify for overtime under FLSA regulations? If so, how many hours of regular time and overtime did she work?

1. Yes, since she is nonexempt any hours over 8 per day and 40 per week would be eligible for overtime. 2 hours of overtime and 39 hours of regular hours

2-2B. Paolo is a salaried employee earning $84,000 per year. Calculate the standard gross salary per pay period under each of the following payroll frequencies:

a. Biweekly $84,000/26 = $3,230.77
b. Semi-monthly $84,000/24 = $3,500.00
c. Weekly $84,000/52 = $1,615.38
d. Monthly $84,000/12 = $7,000.00

2-3B. Terri quit her job after four years with Aspen Tree Service in Colorado on Friday, October 31. Aspen Tree Service pays

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employees weekly on Fridays. Upon quitting, Terri had 38.5 hours of vacation accrued that she had not used, and she had worked 45 hours, 5 hours of that was subject to overtime. Terri earned an hourly wage of $11.50 at the time of her separation. Calculate Terri's final gross (pre-tax and deductions) paycheck. When must she receive her final paycheck?

1. (38.5 + 40) hours x $11.50 + 5 x ($11.50 x 1.5) = $902.75 + 86.25 = $989.00; since Terri quit, she will receive her paycheck with the standard processing of payroll.

2-4B. Brad terminated his employment on December 11, 2014. Review your state's requirements for document retention (search the available resources for educational and governmental record retention). When should the company dispose of his payroll records?

1. Employee records should be retained for a period of 7 years under best practices.

2-5B. A general contractor operating in Nebraska is required to retain its payroll records for four years. They work on interstate contracts that require the payroll record retention for three years. Additionally, the company has national contracts stipulating that payroll records must be maintained for five years. How should the company balance these requirements?

1. The company should maintain the records for the longer period, five years.

2-6B. Martin needs additional filing space at the end of the year in the company's office, and chooses to use offsite, secured storage. Upon arriving at the storage facility, he discovers that the unit is nearly full and sees several boxes marked for destruction at the end of the next calendar year. What are Martin's obligations regarding these payroll records? What steps should he take to ensure the company retains, stores, and disposes of payroll records properly?

1. Martin should ensure that the storage area is large enough to accommodate the records. As a company grows, the need for larger storage will appear. Martin should keep the documents organized to ensure the retention schedule is kept.

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2-7B. Upon starting a new job in a company that has 70 employees, you notice that the company has been using manual accounting records and has retained every record since the business started 15 years ago. Your boss has asked you to recommend an accounting software system for accounting, payroll, and document destruction. Write your recommendations and rationale.

1. Key points that need to be included: ease of update for changes in tax laws, tax tables, and payroll regulations; ease of reporting; confidentiality

2-8B. Sandy is an independent contractor who is new to your company. Should you assign her compensation to the payroll clerk or to the accounts payable department? Explain.

1. Independent contractors are most frequently treated as a vendor and would be sent to accounts payable. However, depending upon specific requirements, Sandy could be classified as a statutory employee.

2-9B. Quinn, a member of the Menominee Indian nation, is a new employee at Raven Enterprises. During the process of completing his I-9, his only means of identity is a Menominee Nation identification document. Is this document sufficient to verify his employment eligibility? Explain.

1. The Menominee Nation identification card would only be one part of the qualifications (falling under type C). A secondary form (from type B) would be necessary.

2-10B. Frank was terminated for cause from Pineland Industries in Georgia. As of the date of his termination, he had accrued 24 hours of vacation and 15 hours of sick time. When must his final pay be issued? Will his accrued vacation and sick time be included in his final pay? Explain.

1. Georgia does not have specific termination requirements for the processing; the company will probably choose to issue the check with standard payroll. Depending upon the company policy and employee agreement, the vacation and sick time may be included.

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2-11B. Complete the W-4 for employment at Dark Forest Ranch:

Madeline Emma Jenkins

203 County Road 4

Douglas, Wyoming 82036

SSN: 545-02-1987

Married filing jointly

3 dependents

She has a second job as a waitress at the Douglas Café, where she earns $12,000/year

Additional information needed to be able to accurately complete the W-4:

1. Need to note that Madeline wants to enter 0 on line C even though she has a spouse. The W-4 states that she may "choose to enter 0".

2. Any child care expenses?

3. Able to claim child tax credit?

4. Married? Or Married, but withhold at higher single rate?

5. Any additional amounts to be withheld?

6. Is she claiming the withholding exemption?

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Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4*.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A	1
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B	
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D	3
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E	
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G	
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ►	H	4

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074
2015

1 Your first name and middle initial: Madeline E	Last name: Jenkins	2 **Your social security number:** 545-02-1987
Home address (number and street or rural route): 203 County Road 4	3 ☐ Single ☑ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code: Douglas, WY 82036	4 **If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.** ► ☐	

5	Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)	5 4
6	Additional amount, if any, you want withheld from each paycheck	6 $
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ►	7

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature
(This form is not valid unless you sign it.) ► **Date** ►

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS) 9 Office code (optional) 10 Employer identification number (EIN)

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2-12B. Complete the I-9 for employment with the Tennessee Department of Corrections. Be sure to complete the "preparer" section.

Martin Allan Davis

Social Security number: 987-65-4312

Date of Birth: 5-29-1975

5923 Bunker Hill Road

Clarksville, Tennessee 38205

U.S. Citizen

Tennessee Driver's License #U30290688, Expires, 5/29/2018

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Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

►START HERE. Read instructions carefully before completing this form. The instructions must be available during completion of this form.
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	Other Names Used *(if any)*
Davis	Martin	A	

Address *(Street Number and Name)*	Apt. Number	City or Town	State	Zip Code
5923 Bunker Hill Rd		Clarksville	TN	38205

Date of Birth *(mm/dd/yyyy)*	U.S. Social Security Number	E-mail Address	Telephone Number
05/29/1975	987-65-4312		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☒ A citizen of the United States

☐ A noncitizen national of the United States *(See instructions)*

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date *(mm/dd/yyyy)*:

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:	Date *(mm/dd/yyyy)*:

Last Name *(Family Name)*	First Name *(Given Name)*

Address *(Street Number and Name)*	City or Town	State	Zip Code

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1: Davis, Martin A

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title: Tennessee Drivers License		Document Title: Social Security Card
Issuing Authority:		Issuing Authority: Tennessee Motor Vehicles Divis		Issuing Authority: Social Security Administration
Document Number:		Document Number: U30290688		Document Number: 987-65-4321
Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*: 5/29/2018		Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

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CRITICAL THINKING

2-1. When BirMax was looking to implement a payroll accounting system, the manufacturing firm had several options. With only 40 employees, the manual preparation of payroll through spreadsheets and handwritten time cards was a comfortable option for the firm. Another option is to sell the senior management of BirMax on implementing a software program for payroll processing. What are the key points to consider? If the company has more than one department, how can this transition be accomplished?

1. Key points that need to be included: ease of update for changes in tax laws, tax tables, and payroll regulations; ease of reporting; whether the employee self-service option would be eligible; confidentiality

2-2. You have been hired as a consultant for a company facing an IRS audit of their accounting records. During your review, you notice anomalies in the payroll system involving overpayments of labor and payments to terminated employees. What would you do?

1. When the abnormalities are discovered, the management of the company should be made aware of the situation. Since the IRS audit is imminent, documenting the date of the find and attempts to rectify the error would be advisable. Depending upon the nature of the anomalies, the company or payroll employees may have made some serious errors.

IN THE REAL WORLD: CASE FOR DISCUSSION

Student response will vary.

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CONTINUING PAYROLL PROJECT: PREVOSTI FARMS AND SUGARHOUSE

Prevosti Farms and Sugarhouse pays its employees according to their job classification. The following employees make up Sugarhouse's staff:

Employee Number	Name and Address	Payroll information
A-Mille	Thomas Millen 1022 Forest School Rd Woodstock, VT 05001 802-478-5055 SSN:031-11-3456 401(k) deduction: 3%	Hire Date: 2-1-2014 DOB: 12-16-1982 Position: Production Manager PT/FT: FT, exempt No. of Exemptions: 4 M/S: M Pay Rate: $35,000/year
A-Towle	Avery Towle 4011 Route 100 Plymouth, VT 05102 802-967-5873 SSN:089-74-0974	Hire Date: 2-4-2014 DOB: 7-14-1991 Position: Production Worker PT/FT: FT, nonexempt No. of Exemptions: 1

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		M/S: S Pay Rate: $12.00/hour
A-Long	Charlie Long 242 Benedict Road S. Woodstock, VT 05002 802-429-3846 SSN: 056-23-4593	Hire Date: 2-7-14 DOB: 3-16-1987 Position: Production Worker PT/FT: FT, nonexempt No. of Exemptions: 2 M/S: M Pay Rate: $12.50/hour
B-Shang	Mary Shangraw 1901 Main Street #2 Bridgewater, VT 05520 802-575-5423 SSN: 075-28-8945	Hire Date: 2-5-14 DOB: 8-20-1994 Position: Administrative Assistant PT/FT: PT, nonexempt No. of Exemptions: 1 M/S: S Pay Rate: $10.50/hour
B-Lewis	Kristen Lewis	Hire Date: 2-2-14

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	840 Daily Hollow Road Bridgewater, VT 05523 802-390-5572 SSN: 076-39-5673	DOB: 4-6-1950 Position: Office Manager PT/FT: FT, exempt No. of Exemptions: 3 M/S: M Pay Rate: $32,000/year
B-Schwa	Joel Schwartz 55 Maple Farm Way Woodstock, VT 05534 802-463-9985 SSN: 021-34-9876	Hire Date: 2-1-14 DOB: 5-23-1985 Position: Sales PT/FT: FT, exempt No. of Exemptions: 2 M/S: M Pay Rate: $24,000/year base plus 3% commission per case sold
B-Prevo	Toni Prevosti 10520 Cox Hill Road Bridgewater, VT 05521 802-673-2636	Hire Date: 2-1-14 DOB: 9-18-1967 Position: Owner/President PT/FT: FT, exempt

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	SSN: 055-22-0443	No. of Exemptions: 5 M/S: M Pay Rate: $45,000/year

The Departments are as follows:

Department A: Agricultural Workers

Department B: Office Workers

1. You have been hired as of February 10, 2014, as the new accounting clerk. Your employee number is B-XXXX, where "B" denotes that you are an office worker and "XXXXX" is the first five letters of your last name. If your last name is fewer than five letters, use the first few letters of your first name to complete the employee number. Your social security number is 555-55-5555, and you are full-time, nonexempt, and paid at a rate of $34,000 per year. You are single with only one job (claiming 2 exemptions). You live at 1644 Smittin Road, Woodstock, VT 05001. Your date of birth is 1/1/1991 and your Social Security number is 555-55-5555 for the project. You are a citizen of the United States and provide a Vermont driver's license #88110009 expiring 1/1/2016 in addition to your Social Security card for verification of your identity. Complete the W-4 and the I-9 to start your own employee file.

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Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4*.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A	1
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B	1
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D	
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E	
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G	
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ►	H	2

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074

2015

1 Your first name and middle initial: Student F	Last name: Success	2 Your social security number: 555-55-5555
Home address (number and street or rural route): 1644 Smittin Road	3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code: Woodstock, VT 05001	4 **If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.** ► ☐	
5 Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)		5 2
6 Additional amount, if any, you want withheld from each paycheck		6 $
7 I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ►		7

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Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

►START HERE. **Read instructions carefully before completing this form. The instructions must be available during completion of this form.**
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	Other Names Used *(if any)*
Success	Student	F	

Address *(Street Number and Name)*	Apt. Number	City or Town	State	Zip Code
1644 Smittin Rd		Woodstock	VT	05001

Date of Birth *(mm/dd/yyyy)*	U.S. Social Security Number	E-mail Address	Telephone Number
01/01/1991	555-55-5555		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☒ A citizen of the United States

☐ A noncitizen national of the United States *(See instructions)*

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date *(mm/dd/yyyy)*:

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:	Date *(mm/dd/yyyy)*:

Last Name *(Family Name)*	First Name *(Given Name)*

Address *(Street Number and Name)*	City or Town	State	Zip Code

STOP *Employer Completes Next Page* STOP

Form I-9 03/08/13 N

Page 7 of 9

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1: Success, Student F

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title: Vermont Drivers License		Document Title: Social Security Card
Issuing Authority:		Issuing Authority: Dept of Motor Vehicles		Issuing Authority:
Document Number:		Document Number: 8811009		Document Number: 555-55-5555
Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*: 01/01/2016		Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date *(mm/dd/yyyy)*:	Print Name of Employer or Authorized Representative:

Form I-9 03/08/13 N

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2. Complete the headers of the employee earnings register for each employee. Enter the YTD earnings for each employee.

EMPLOYEE INFORMATION FORM

NAME Avery Towle	Hire Date 2/4/2014
ADDRESS 4011 Route 100	Date of Birth 7/14/1991
CITY/STATE/ZIP Plymouth/VT/05102	Position Production Worker
TELEPHONE 802-967-5873	No. of exemptions 1
SOCIAL SECURITY NUMBER 089-74-0974	Pay Rate $12.00/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Charlie Long	Hire Date 2/7/2014
ADDRESS 242 Benedict Rd	Date of Birth 3/16/1987
CITY/STATE/ZIP S. Woodstock/VT/05002	Position Production Worker
TELEPHONE 802-429-3846	No. of exemptions 2
SOCIAL SECURITY NUMBER 056-23-4593	Pay Rate $12.50/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Mary Shangraw	Hire Date 2/5/2014
ADDRESS 1901 Main St #2	Date of Birth 8/20/1994
CITY/STATE/ZIP Bridgewater/VT/05520	Position Administrative Assistant
TELEPHONE 802-575-5423	No. of exemptions 1
SOCIAL SECURITY NUMBER 075-28-8945	Pay Rate $10.50/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Kristen Lewis	Hire Date 2/2/2014
ADDRESS 840 Daily Hollow Rd	Date of Birth 4/6/1950
CITY/STATE/ZIP Bridgewater/VT/05523	Position Office Manager
TELEPHONE 802-390-5572	No. of exemptions 3
SOCIAL SECURITY NUMBER 076-39-5673	Pay Rate $32,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Joel Schwartz	Hire Date 2/1/2014
ADDRESS 55 Maple Farm Wy	Date of Birth 5/23/1985
CITY/STATE/ZIP Woodstock/VT/05534	Position Sales
TELEPHONE 802-463-9985	No. of exemptions 2
SOCIAL SECURITY NUMBER 021-34-9876	Pay Rate $24,000/year + commission

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Toni Prevosti	Hire Date 2/1/2014
ADDRESS 10520 Cox Hill Rd	Date of Birth 9/18/1967
CITY/STATE/ZIP Bridgewater/VT/05521	Position Owner/President
TELEPHONE 802-673-2636	No. of exemptions 5
SOCIAL SECURITY NUMBER 055-22-0443	Pay Rate $45,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Student F Success	Hire Date 2/10/2014
ADDRESS 1644 Smittin Rd	Date of Birth 1/1/1991
CITY/STATE/ZIP Woodstock/VT/05001	Position Accounting Clerk
TELEPHONE 555-555-5555	No. of exemptions 2
SOCIAL SECURITY NUMBER 555-55-5555	Pay Rate $34,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				-						-	-	

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Payroll Accounting, 2nd ed.

Jeanette Landin, Ed.D.

Paulette Schirmer, D.B.A.

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Chapter 2

Payroll System Procedures

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Employer Payroll Concerns

- Pay Frequency
- Pay Types
  - Direct Deposit, Paycards, or Paper Checks
- Employee Benefits
- Pay Advances
- Confidentiality
- Fraud protection

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LO 2-1: Identify Important Payroll Procedures and Pay Cycles

- Reporting requirements
- Deadlines
- Other compliance issues related to the firm's industry

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EIN Purposes – Company Related

- Identifies companies who file tax returns
- Required for partnerships and corporations
- Required if a firm
  - Has employees
  - Acts as a fiduciary
  - Is in the alcohol, tobacco, or firearm industry

The EIN will be cancelled if the principal officer's name and SSN do not match IRS records

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More EIN Purposes – Tax Related

- EIN is the permanent Federal identifier for the company

Must accompany

- Tax Deposits
- Payroll Tax Returns
  - Forms 940, 941, 944
  - Forms W-2 and W-3
  - Any 1099s (independent contractors)

- States may issue a different identifying number

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Non-Confidential Company Documents

- Expense Receipts
- Vendor Invoices
- Check copies

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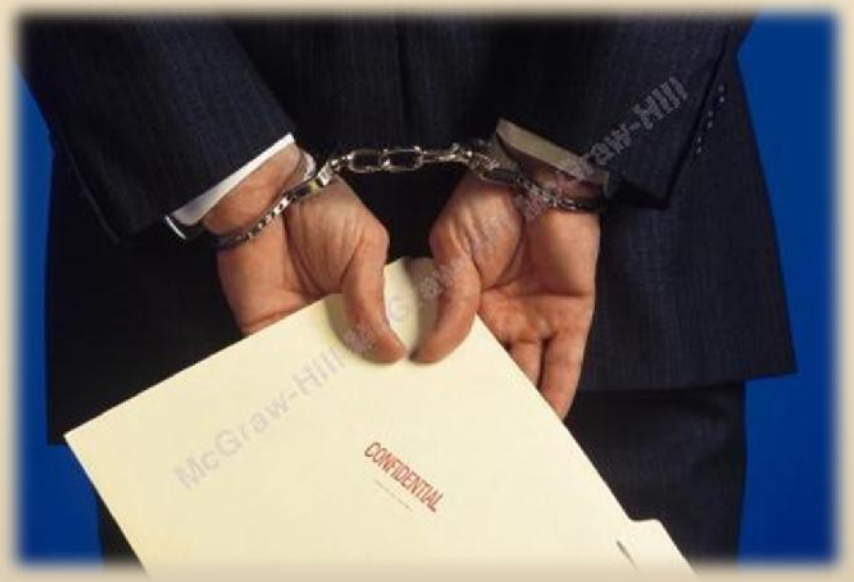
Confidential Company Documents

Privacy Act of 1974



- Personnel information
- Payroll documents

Note: Fraud-related documents may be subpoenaed at any time and must be accessible to government authorities.

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Payroll File Requirements– Employee

- Employee full name
- Social Security number
- Complete address
- Birth date (if younger than 19)
- Sex
- Occupation

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Payroll File Requirements– Compensation

- Time/day when workweek begins
- Hours/pay and total hours/workweek
- Basis of wages
- Hourly rate
- Total straight-time earnings
- Total overtime earnings
- Additions/deductions
- Total Wages
- Date Paid

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Employee Earnings Record example

EMPLOYEE EARNINGS RECORD

NAME Jonathan A. Doe Hire Date 1/1/2015

ADDRESS 100 Main Street Date of Birth 4/16/1983

CITY/STATE/ZIP Anytown, MD 21220 Position Sales PT/FT

TELEPHONE 202-555-4009 No. of exemptions 4 M/S

SOCIAL SECURITY NUMBER 987-65-4321 Pay Rate $15.00 Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Taxable income	Total Deduc	Net pay	YTD
1/7/15	40	600.00	0.00	600.00	37.20	8.70	14.00	12.00	25.00		96.90	503.10	600.00

Payroll Cycle Options

- Daily
  - Usually used in a day-labor situation
  - Often paid at end of day or next day

- Weekly
  - Usually paid Friday of following week
  - 52 pay periods/year

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Payroll Cycle Options (continued)

- Biweekly
  - Paid every other week
  - 26 pay periods/year
- Semimonthly
  - Paid twice/month
  - 24 pay periods/year
- Monthly
  - Paid once/month
  - 12 pay periods/year

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Payroll Frequency: Example

Payroll frequency	Pay periods/year	$50,000/year gross salary per pay period
Daily	365	$136.99
Weekly	52	$961.54
Biweekly	26	$1,923.08
Semimonthly	24	$2,083.33
Monthly	12	$4,166.67

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LO 2-2: Prepare Required Employee Documentation

- Form W-4
- I-9
  - Filed within 20 days of employee hire
  - $25 fine for non-reporting per employee
  - $500 fine for intentional non-reporting

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W-4 Example

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

▶ **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074
2015

1 Your first name and middle initial	Last name	2 Your social security number
Jonathan A.	Doe	987-65-4321

Home address (number and street or rural route)
123 Main Street

3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate.
Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.

City or town, state, and ZIP code
Anytown, KS 54932

4 **If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.** ▶ ☐

5	Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)	5	2
6	Additional amount, if any, you want withheld from each paycheck	6	$
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ▶	7	

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature
(This form is not valid unless you sign it.) ▶ *Jonathan A. Doe* **Date** ▶ 1/1/2015

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

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New Hire Reporting: Why?

- Child support tracking
- Employment eligibility verification
- Permanent resident alien tracking
- Other garnishments
  - Credit card debt
  - Court judgments

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Child Support

- As of the 2010 U.S. census, the estimated amount of child support transferred between parents in the United Stated exceeded $41.7 billion.

- As of March 2015, outstanding unpaid child support:

$14.3 Billion

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Statutory Employees

- A driver who is a single company's agent or is paid on commission
- A full-time life insurance sales agent for one life insurance company
- A home-worker who works on a company's provided materials
- A full-time traveling or city salesperson who works on a single company's behalf

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U.S. Workers in Foreign Subsidiaries

- Known as *expatriate* workers
- Foreign Account Tax Compliance Act (FATCA)
  - Report wages of earners in foreign locations
  - Ensures appropriate taxation
  - Workers may exclude first $100,800 of wages (2015 figure)
- Enforcement can be difficult due to foreign banks compliance with U.S. law
  - 2015 is designated as a transition year for foreign banks

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LO 2-3: Explain Pay Records and Employee File Maintenance

Pay Records include:

- Pay period
- Pay date
- Pay rate
- All deductions

Employer Retains:

- Copy of time card
- Copy of pay stub
- Any other documentation included with pay check
- Time off documentation

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Pay Rate Determination

Employee

- Experience
- Education
- Certifications
- Governmental Regulations
- Hours Worked
- Job Performed

Employer

- Salary
- Hourly
- Commission
- Piece Rate
- Exempt
- Nonexempt

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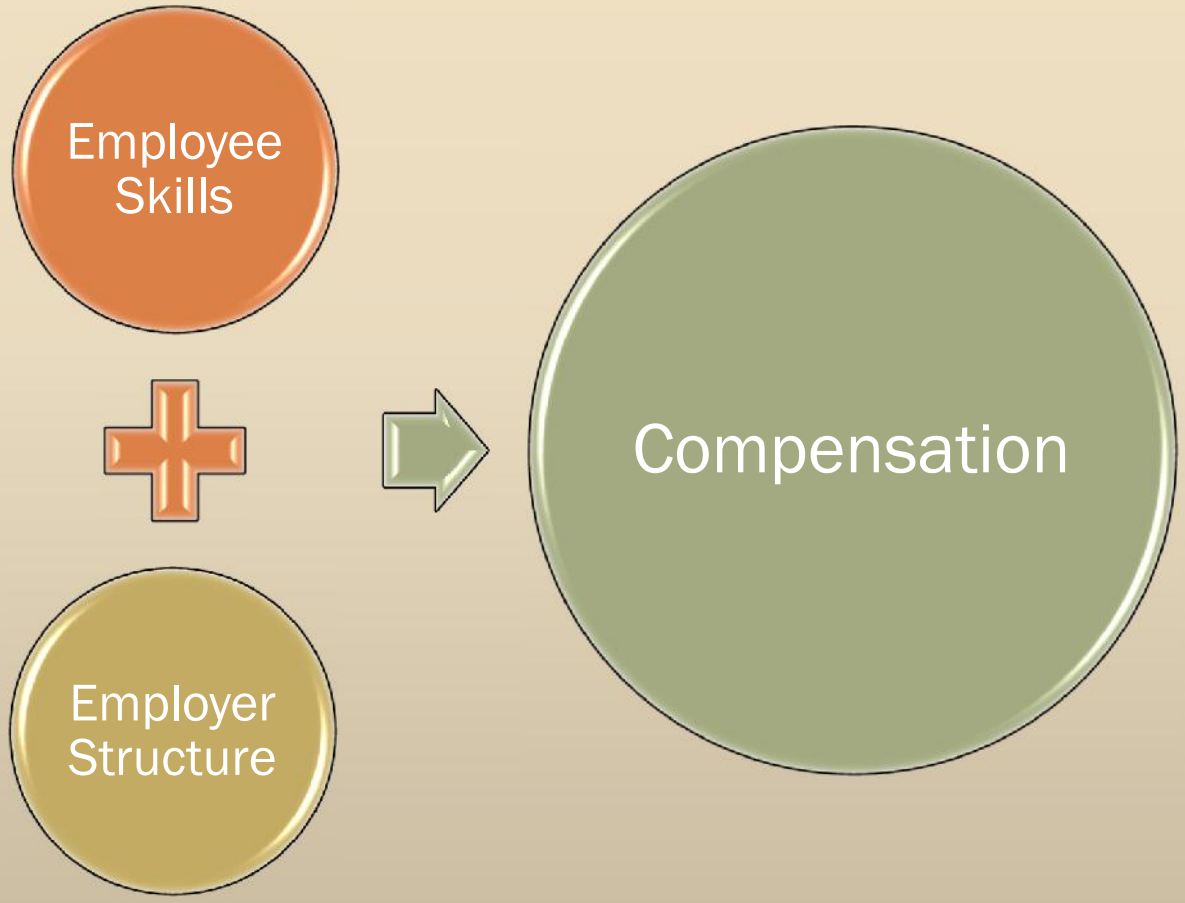
Compensation considerations



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Calculations of Time: Exempt Employee

- Juan is a manager for a textiles firm. He earns $52,000 per year and is classified as an exempt employee, and is paid biweekly.
- He normally works 40 hours per week.
- In June, he worked 85 hours during one pay period and 78 hours during the next.
- He would receive his salary of $2,000 (52,000/26) for each pay period, no matter how many hours he worked because he is classified as an exempt employee.

- Total pay = $2,000

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Calculations of Time: Nonexempt Employee

- Monique works as an administrator at a busy hospital.
- She is paid $52,000 on a weekly basis and is classified as nonexempt.
- During one week, she worked 50 hours.
- She would earn her regular weekly wage of $1,000 (52,000/52) plus time and a half for the overtime hours.
- Based on a 40-hour workweek, her hourly wage is $25 ($52,000/(52X40)), so her overtime pay would be $375 (10 hours x 1.5 x $25).

- Total Pay = $1,000 + $375 = $1,375

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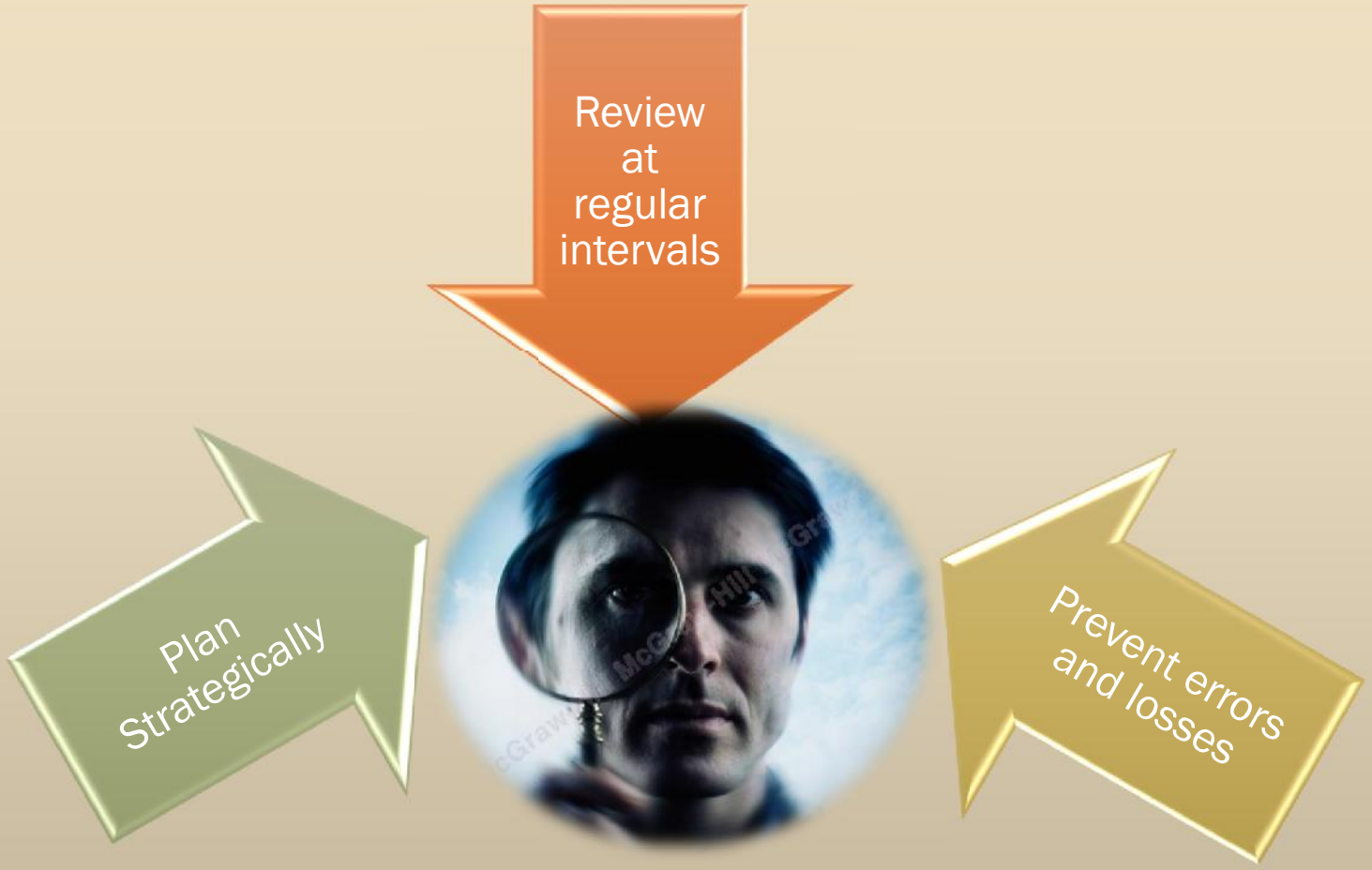
LO 2-4: Describe Internal Controls and Record Retention for a Payroll System



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Review Process Elements

- Managerial Verification of Time Cards
- Verification of Payroll Computations
- Approval of Pay Amounts
- Preparation of Pay Disbursement
- Approval of Pay Disbursement

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File Security

- Important part of internal control
- Safeguards governmental obligations
- Involves
  - Multiple passwords
  - Personnel cross-training
  - Electronic encryption
  - Restricted access
  - Duty rotation

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Payroll fraud occurrence example

A payroll specialist in Florida was HIV-positive, and was afraid to reveal his illness to employers. Instead, he took the money from his employer to pay for expensive medications.

- He would memorize his coworkers' usernames and passwords to create "ghost" employees.
- These ghosts' pay would go to the payroll specialist's bank account.
- He would falsify the payroll summaries he submitted for approval.
- The payroll specialist was found guilty of embezzling $112,000 before his termination.

Source: Journal of Accountancy

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Best Practices: Employee File Maintenance

- IRS Regulation 26 CFR 1.6001
  - Employer responsible for file maintenance
  - Recommends labeling and storage of backups
  - Employer must guarantee auditor access

- IRS Revenue Procedure 98-25
  - Record keeping duration for employers
  - Must include payroll transaction detail
  - Record derivation of executive pay
  - All pay must be benchmarked and justified

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Best Practices: Electronic Records

- Closed system
  - Access granted only to specific employees
- Record identifiers and logging
  - Marks who accessed which record and when
- Employers must monitor records for hacker activity

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Best Practices: Non-Solo Effort

- More than one person involved in the generation and maintenance of payroll records
- Separation of duties
  - No single person could generate paychecks
- Documentation of employee duties
  - Provides verification of completed tasks
  - Protects employer against fraud

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What a Non-Solo Payroll Department Prevents

- Terminated employees could continue to be paid via the payroll system or the funds could be subverted to someone else perpetrating the fraud.
- Sales commission plans, employee bonus plans, incentive programs are all subject to employees' and management's manipulation.
- The payroll checks distributed to employees could be stolen individually or en masse prior to their distribution.

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Best Practices: Document Retention

- Regulation 26 CFR 1.6001
  - Pertains to manual and computerized records
  - Guideline is 7 years
  - Retention period begins upon final pay disbursement

    In the event of payroll fraud, all records must be accessible indefinitely
  - Records for terminated employees must be kept for 7 years following separation
- Employer is responsible for all records, even when payroll is outsourced

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Document retention and the U.S. Supreme Court

In 2012, the U.S. Supreme Court issued specific guidelines to the IRS about the statute of limitations for audits. In *U.S. v. Home Concrete Supply, LLC*, the Court directed the following guidelines about records audits:

- 3 years to assess a taxpayer's deficiency
- 6 years if the taxpayer's gross assets were understated by more than 25%
- Unlimited time if intent to commit fraud exists

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LO 2-5: Discuss Employee Termination and Document Destruction Procedures

- Paper records
  - Incineration
  - Shredding
  - Pulping

- Electronic records
  - Must be purged from company servers
  - All backup copies must be destroyed

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Termination Pay Regulations

- Termination type
  - Involuntary termination (“firing” or “layoff”)
  - Voluntary resignation (“quitting”)

- Final pay
  - Must contain all hours worked
  - Vacation and sick time owed
  - Any other compensation owed or due

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Final Pay Regulations: Selected States

AR	Within 7 days of discharge	NV	Immediately upon discharge
CA	At time of discharge	NH	Within 72 hours
CO	Immediately upon discharge	NJ	By the next regular payday
CT	No later than the next business day	NM	Within 5 days when wages are definite, otherwise within 10 days if wages are indefinite

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Final Pay Regulations: Selected States (continued)

GA	No termination pay guidelines	OK	Next regular payday for the pay period
ID	Within 10 days, excluding weekends and holidays	PA	Next regular payday
IL	No later than the next payday, immediately if possible	RI	Next regular payday

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Summary of Payroll System Procedures

- Payroll system requires careful planning
- Allow room for company growth
- Best practices promote accuracy and prevent fraud
- Records may be paper, computerized, or outsourced
- Records must be maintained securely and allow auditor access
- Final pay for terminated employees must reflect all amounts due

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Chapter 2: Payroll System Procedures

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Instructor notes

This chapter presents procedures for preparation of payroll, treatment and requirement for new hires, employee files, and internal controls procedures. As this chapter progresses, the student will understand the forms required and how to implement the process of placing a new employee into the payroll journals. New hire reporting requirements are discussed along with document destruction and retention periods. The student will gain an understanding of the different forms for new hires, pay period frequencies, and the different pay methods that can be employed by a business.

Some questions to stimulate discussion on this chapter would include:

- How many different forms are required for newly hired employees?
- What pay frequencies are they familiar with?
- How should an employer pay their employees (direct deposit, check, paycards)?
- Why are internal controls and review necessary for payroll processes?

Vocabulary Definitions	
Biweekly Payroll	A pay frequency in which employees are paid 26 times per year.
Commission	Employee compensation paid upon completion of a task, often pertaining to sales-based activities.
Daily Payroll	A pay frequency in which employees are paid each business day.
Document Destruction	The act of destroying documents that contain sensitive payroll and employee information.
Exempt	An employee who is not subject to the overtime provisions of the Fair Labor Standards Act.
File Maintenance	The application of all transactions, including any necessary modifications, to an employee's file.
File Security	The protection of sensitive payroll information by restricting access and securely storing files.
Foreign Account Tax Compliance Act	Federal law that regulates the income tax withholdings of foreign employees.
Hiring Packet	A package of forms that a firm issues to new employees; for example, Form W-4, Form I-9, health insurance enrollment, etc.
I-9	The Employment Eligibility Verification.
Internal Control	A firm's process of maintaining efficiency and effectiveness, work quality, accurate and reliable financial reports, and legal compliance.
Monthly Payroll	A pay frequency in which employees are paid 12 times per year.
New Hire Reporting	A process by which a firm notifies governmental authorities of any new hires shortly after the hire date.

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Nonexempt	An employee who is subject to all overtime provisions of the Fair Labor Standards Act; generally, an hourly employee.
Outsourced Vendor	A party external to a firm that provides goods and/or services.
Pay Period	The recurring period during which a firm collects employee labor data and pays employees in accordance with wage and/or salary agreements.
Paycards	A debit card issued to employees that contains electronically transmitted wages.
Payroll Audit	An examination of a firm's payroll records to determine legal compliance.
Payroll Review	Verification of payroll accuracy for a period.
Publication 15	The Employer's Tax Guide published by the Internal Revenue Service.
Resignation	Voluntary termination of employment.
Review Process	Examination and analysis of accounting records to ensure accuracy and completeness.
Semimonthly Payroll	The payroll frequency in which employees are paid 24 times per year.
Separation of Duties	An internal control method in which payroll duties are spread among two or more employees.
Statutory Employee	A special class of employees who run their own business but must be treated as employees for tax reasons.
Tax Table	The percentage to be used when computing certain types of taxes.
Termination	Ceasing employment with a firm.
W-4	The Employee Withholding Allowance Certificate.
Weekly Payroll	The payroll frequency in which employees are paid 52 times per year.

Answers to Review Questions
1. Payroll system design, authorized signers, documentation, and review of the process.
2. To ensure accuracy, to strengthen internal controls, and to avoid fraud or theft.
3. I-9 and W-4
4. The enforcement of child support and legal withholdings, ensuring immigrants are still eligible to work, verification of professional licensing/qualifications, administration of COBRA benefits.
5. This is a state specific regulation time ranging from the point of discharge to no time requirements.
6. Daily, weekly, biweekly, monthly, semimonthly.
7. Keep any requests for leave with the related paystubs, file retention schedule, have more than one person responsible for the duties/verification, and separation of duties.
8. Pay frequency, pay types, method of payment, benefits, manual/computerized/outsourced payroll processing, file security system.
9. Entering the employees, entering the hours, calculation of gross wages, determination of taxes, net pay, preparation of paychecks, payment of taxes, reporting requirements.
10. Disbursement of pay or the employee terminates employment

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11. The Internal Revenue Service (IRS)
    Federal and State Departments of Labor
    Department of Homeland Security
    Other state and local agencies
    Labor unions

12. Seven years

13. It depends; some independent contractors are not included in the company's payroll, but are treated as vendors. Some independent contractors are considered statutory employees and would be included in the company's payroll.

14. An employee is terminated by the employer; when the employee initiates the separation it is a resignation.

15. A weekly pay period is for one week, biweekly pay period is two weeks long, semimonthly pay period is twice a month, and monthly pay period is once a month.

Additional Exercises for Class Discussion

1. Nabeeha is an accountant for a small company. As she reviews time records prior to processing the weekly payroll, she notices that LeBron, a nonexempt employee, has worked 46.75 hours. Jason's standard workweek is 40 hours, and his pay rate is $16.48 per hour. What is his gross pay for the week?

Answer:

	Hours	Rate	Total
Regular	40	$ 16.48	$ 659.20
Overtime	6.75	$ 24.72	$ 166.86
	Total gross pay		$ 826.06

2. Padma earns $45,000 per year. Compute his gross pay for each of the following pay frequencies: Weekly, Biweekly, Semimonthly, Monthly.

Answer:

	# of pay periods	Gross pay
Weekly	52	$ 865.38
Biweekly	26	$ 1,730.77
Semimonthly	24	$ 1,875.00
Monthly	12	$ 3,750.00

3. Complete Form W-4 with your students for the following employee:

Victoria Maria Schneider
1537 Old Town Avenue
Buffalo, NY 14201
SSN: 672-39-0487

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She is married and her spouse works. She has four children. The total income for Victoria and her husband is $85,000 per year. They will have $3,600 in child care expenses this year.

The blank W-4 follows

Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at www.irs.gov/w4.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ►	H

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074 **2015**

1 Your first name and middle initial	Last name	2 Your social security number
Home address (number and street or rural route)	3 ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code	4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► ☐	

5	Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)	5
6	Additional amount, if any, you want withheld from each paycheck	6 $
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ►	7

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) ► **Date** ►

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form **W-4** (2015)

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Answer:

Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4*.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A	1
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B	
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	1
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D	4
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E	
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	1
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G	3
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ►	H	10

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074 **2015**

1 Your first name and middle initial: Victoria M	Last name: Schneider	2 Your social security number: 672-39-0487
Home address (number and street or rural route): 1537 Old Town Avenue	3 ☐ Single ☑ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code: Buffalo, NY 14201	4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► ☐	

5	Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)	5 10
6	Additional amount, if any, you want withheld from each paycheck	6 $
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ►	7

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) ► *Victoria M Schneider* **Date ►** *1/16/2015*

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

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4. Complete an I-9 with your students for the following employee:

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Karl Erik Hoffamann
SSN: 374-02-4005
Date of birth: 9-23-1978
3234 Church Street
Natchitoches, LA 71457
Louisiana Driver's license number 005738295, expires 9-23-2016
He is in possession of his social security card.
Email address: Karlh@me.com
Phone number: (318) 555-2323

The blank Form I-9 follows:

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Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

▶ **START HERE. Read instructions carefully before completing this form. The instructions must be available during completion of this form.**
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	Other Names Used *(if any)*

Address *(Street Number and Name)*	Apt. Number	City or Town	State	Zip Code

Date of Birth *(mm/dd/yyyy)*	U.S. Social Security Number	E-mail Address	Telephone Number
	☐☐☐-☐☐-☐☐☐☐		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☐ A citizen of the United States

☐ A noncitizen national of the United States *(See instructions)*

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date *(mm/dd/yyyy)*:

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:			Date *(mm/dd/yyyy)*:
Last Name *(Family Name)*	First Name *(Given Name)*		
Address *(Street Number and Name)*	City or Town	State	Zip Code

STOP *Employer Completes Next Page* STOP

Form I-9 03/08/13 N

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date *(mm/dd/yyyy)*:	Print Name of Employer or Authorized Representative:

Form I-9 03/08/13 N Page 8 of 9

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LISTS OF ACCEPTABLE DOCUMENTS
All documents must be UNEXPIRED

Employees may present one selection from List A
or a combination of one selection from List B and one selection from List C.

LIST A Documents that Establish Both Identity and Employment Authorization	OR	LIST B Documents that Establish Identity	AND	LIST C Documents that Establish Employment Authorization
1. U.S. Passport or U.S. Passport Card		1. Driver's license or ID card issued by a State or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address		1. A Social Security Account Number card, unless the card includes one of the following restrictions: (1) NOT VALID FOR EMPLOYMENT (2) VALID FOR WORK ONLY WITH INS AUTHORIZATION (3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION
2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)		2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address		2. Certification of Birth Abroad issued by the Department of State (Form FS-545)
3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa		3. School ID card with a photograph		3. Certification of Report of Birth issued by the Department of State (Form DS-1350)
4. Employment Authorization Document that contains a photograph (Form I-766)		4. Voter's registration card		4. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal
5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status: a. Foreign passport; and b. Form I-94 or Form I-94A that has the following: (1) The same name as the passport; and (2) An endorsement of the alien's nonimmigrant status as long as that period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form.		5. U.S. Military card or draft record 6. Military dependent's ID card 7. U.S. Coast Guard Merchant Mariner Card 8. Native American tribal document 9. Driver's license issued by a Canadian government authority		5. Native American tribal document 6. U.S. Citizen ID Card (Form I-197) 7. Identification Card for Use of Resident Citizen in the United States (Form I-179)
6. Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI		**For persons under age 18 who are unable to present a document listed above:** 10. School record or report card 11. Clinic, doctor, or hospital record 12. Day-care or nursery school record		8. Employment authorization document issued by the Department of Homeland Security

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274).

Refer to Section 2 of the instructions, titled "Employer or Authorized Representative Review and Verification," for more information about acceptable receipts.

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Answer:

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Payroll Accounting 2016 2nd edition Landin Solutions Manual

Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

▶ **START HERE. Read instructions carefully before completing this form. The instructions must be available during completion of this form.**
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	Other Names Used *(if any)*
Hoffamann	Karl	E	

Address *(Street Number and Name)*	Apt. Number	City or Town	State	Zip Code
3234 Church Street		Natchitoches	LA	71457

Date of Birth *(mm/dd/yyyy)*	U.S. Social Security Number	E-mail Address	Telephone Number
9-23-1978	374-02-4005	Karlh@me.com	3185552323

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☒ A citizen of the United States

☐ A noncitizen national of the United States *(See instructions)*

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date *(mm/dd/yyyy)*:

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:			Date *(mm/dd/yyyy)*:
Last Name *(Family Name)*	First Name *(Given Name)*		
Address *(Street Number and Name)*	City or Town	State	Zip Code

STOP *Employer Completes Next Page* STOP

Form I-9 03/08/13 N

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title: Louisiana Driver's License		Document Title: Social Security Card
Issuing Authority:		Issuing Authority: State of Louisiana		Issuing Authority: Social Security Administration
Document Number:		Document Number: 005738295		Document Number: 374-02-4005
Expiration Date *(if any)(mm/dd/yyyy)*:		Expiration Date *(if any)(mm/dd/yyyy)*: 9-23-2016		Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date *(if any)(mm/dd/yyyy)*:				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ (*See instructions for exemptions.*)

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date *(mm/dd/yyyy)*:	Print Name of Employer or Authorized Representative:

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Critical Thinking Answers

2-1. Key points that need to be included: ease of update for changes in tax laws, tax tables, and payroll regulations; ease of reporting; whether the employee self-service option would be eligible; confidentiality.

2-2. When the abnormalities are discovered, the management of the company should be made aware of the situation. Since the IRS audit is imminent, documenting the date of the find and attempts to rectify the error would be advisable. Depending upon the nature of the anomalies, the company or payroll employees may have made some serious errors. With the audit pending, the procedures and internal controls fixes should be addressed and noted.

In the Real World—Guidelines for Discussion

Some questions that students should consider include Ms. Ledbetter's original access to confidential paperwork and the firm's internal controls.
Should she have been able to gain access to such confidential records?
What if the records had already been destroyed since the original statute of limitations had been exceeded?
What are implications for employers' document retention policies in the aftermath of this case?
Should the employer have followed up on discrimination charges when they were originally raised?
Once a case of pay discrimination has been investigated, what should the employer do (if anything) about the other employees' pay?
Should all employees receive the same raise to avoid charges of discrimination?
Should records be retained longer than the current guidelines to avoid challenges like Ms. Ledbetter's case? If so, how long?

Activities

Assign students to work individually or in small groups to explore the following websites:

Using a search engine to find examples of what would be included in a "New hire packet" for at least three different companies, preferable in different industries.

Go to www.irs.gov and search for IRS e-file security. List the facts the IRS shows for why e-file is a secure service.

Assign students to work individually or in small groups to explore the following websites:

www.uscis.gov
http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed
www.archives.gov/federal-register/cfr/subject-title-26.html

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www.proshred.com
www.ironmountain.com

What did the students find for payroll support?
What internal controls are mentioned?
Is there a payroll destruction company in their area?

Other classroom activities:

- Determine what new hire information should be shared between payroll and human resources?
- Should these two departments be used (in larger or midsized companies) to facilitate payroll internal controls and cross-verification?
- Using internet search engines, compare the options for a small business to outsource their payroll requirements
- Split class into teams, some are managers, payroll accountants, outsourcing agencies, or external regulators. Determine the needs and if those needs are met by the payroll department.

Continuing Payroll Project

The continuing project starts with the development of timecards and the payroll records for the company. Following this activity, the students should have their payroll files ready for the first actual payroll with annotated information on each employee's key facts.

Prevosti Farms and Sugarhouse pays its employees according to their job classification. The following employees make up Sugarhouse's staff:

Employee Number	Name and Address	Payroll information
A-Mille	Thomas Millen 1022 Forest School Rd Woodstock, VT 05001 802-478-5055 SSN: 031-11-3456 401(k) deduction: 3%	Hire Date: 2-1-2015 DOB: 12-16-1982 Position: Production Manager PT/FT: FT, nonexempt No. of Exemptions: 4 M/S: M Pay Rate: $35,000/year
A-Towle	Avery Towle 4011 Route 100 Plymouth, VT 05102 802-967-5873	Hire Date: 2-4-2015 DOB: 7-14-1991 Position: Production Worker PT/FT: FT, nonexempt

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	SSN: 089-74-0974 401(k) deduction: 5%	No. of Exemptions: 1 M/S: S Pay Rate: $12.00/hour
A-Long	Charlie Long 242 Benedict Road S. Woodstock, VT 05002 802-429-3846 SSN: 056-23-4593 401(k) deduction: 2%	Hire Date: 2-7-2015 DOB: 3-16-1987 Position: Production Worker PT/FT: FT, nonexempt No. of Exemptions: 2 M/S: M Pay Rate: $12.50/hour
B-Shang	Mary Shangraw 1901 Main Street #2 Bridgewater, VT 05520 802-575-5423 SSN: 075-28-8945 401(k) deduction: 3%	Hire Date: 2-5-2015 DOB: 8-20-1994 Position: Administrative Assistant PT/FT: PT, nonexempt No. of Exemptions: 1 M/S: S Pay Rate: $10.50/hour
B-Lewis	Kristen Lewis 840 Daily Hollow Road Bridgewater, VT 05523 802-390-5572 SSN: 076-39-5673 401(k) deduction: 4%	Hire Date: 2-2-2015 DOB: 4-6-1950 Position: Office Manager PT/FT: FT, exempt No. of Exemptions: 3 M/S: M Pay Rate: $32,000/year
B-Schwa	Joel Schwartz 55 Maple Farm Way Woodstock, VT 05534 802-463-9985 SSN: 021-34-9876 401(k) deduction: 5%	Hire Date: 2-1-2015 DOB: 5-23-1985 Position: Sales PT/FT: FT, exempt No. of Exemptions: 2 M/S: M Pay Rate: $24,000/year base plus 3% commission per case sold
B-Prevo	Toni Prevosti 10520 Cox Hill Road Bridgewater, VT 05521 802-673-2636 SSN: 055-22-0443 401(k) deduction: 6%	Hire Date: 2-1-2015 DOB: 9-18-1967 Position: Owner/President PT/FT: FT, exempt No. of Exemptions: 5 M/S: M Pay Rate: $45,000/year

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The departments are as follows:

Department A: Agricultural Workers
Department B: Office Workers

1. You have been hired to start on February 9, 2015, as the new accounting clerk. Your employee number is B-XXXXX, where "B" denotes that you are an office worker and "XXXXX" is the first five letters of your last name. If your last name is fewer than five letters, use the first few letters of your first name to complete the employee number. Your Social Security number is 555-55-5555, and you are full-time, nonexempt, and paid at a rate of $34,000 per year. You have elected to contribute 2% of your gross pay to your 401(k). Complete the W-4 and the I-9 to start your own employee file. You are single with only one job (claiming two exemptions). You live at 1644 Smitten Road, Woodstock, VT 05001. Your date of birth is 01/01/1991. You are a citizen of the United States and provide a Vermont driver's license #88110009 expiring 1/1/2017 in addition to your Social Security card for verification of your identity.

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Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4*.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for **yourself** if no one else can claim you as a dependent	A	1
B	Enter "1" if: • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.	B	1
C	Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	
D	Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return	D	
E	Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above)	E	
F	Enter "1" if you have at least $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child	G	
H	Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ►	H	2

For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- **If neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

OMB No. 1545-0074 **2015**

1 Your first name and middle initial: Student F	Last name: Success	2 Your social security number: 555-55-5555
Home address (number and street or rural route): 1644 Smitten Road	3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code: Woodstock, VT 05001	4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► ☐	

5	Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2)	5	2
6	Additional amount, if any, you want withheld from each paycheck	6	$
7	I claim exemption from withholding for 2015, and I certify that I meet **both** of the following conditions for exemption. • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and** • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability. If you meet both conditions, write "Exempt" here ►	7	

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) ► *Student F. Success* **Date ►** 2/1/2015

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form **W-4** (2015)

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Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

►START HERE. **Read instructions carefully before completing this form. The instructions must be available during completion of this form.**
ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the **first day of employment**, but not before accepting a job offer.)*

Last Name (*Family Name*)	First Name (*Given Name*)	Middle Initial	Other Names Used (*if any*)
Success	Student	F	

Address (*Street Number and Name*)	Apt. Number	City or Town	State	Zip Code
1644 Smitten Road		Woodstock	VT	05001

Date of Birth (*mm/dd/yyyy*)	U.S. Social Security Number	E-mail Address	Telephone Number
01/01/1991	555-55-5555		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

☒ A citizen of the United States

☐ A noncitizen national of the United States (*See instructions*)

☐ A lawful permanent resident (Alien Registration Number/USCIS Number): _____

☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. (*See instructions*)

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number **OR** Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. (*See instructions*)

3-D Barcode
Do Not Write in This Space

Signature of Employee:	Date (*mm/dd/yyyy*):
Student F. Success	02/01/2015

Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:			Date (*mm/dd/yyyy*):
Last Name (*Family Name*)	First Name (*Given Name*)		
Address (*Street Number and Name*)	City or Town	State	Zip Code

STOP *Employer Completes Next Page* STOP

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Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1: Success, Student F

List A Identity and Employment Authorization	OR List B Identity	AND List C Employment Authorization
Document Title:	Document Title: Vermont Driver's License	Document Title: Social Security Card
Issuing Authority:	Issuing Authority: State of Vermont	Issuing Authority: Social Security Administration
Document Number:	Document Number: 88110009	Document Number: 555-55-5555
Expiration Date *(if any)(mm/dd/yyyy)*:	Expiration Date *(if any)(mm/dd/yyyy)*: 01/01/2017	Expiration Date *(if any)(mm/dd/yyyy)*:
Document Title:		
Issuing Authority:		
Document Number:		
Expiration Date *(if any)(mm/dd/yyyy)*:		
Document Title:		
Issuing Authority:		
Document Number:		
Expiration Date *(if any)(mm/dd/yyyy)*:		

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment *(mm/dd/yyyy)*: _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative	Date *(mm/dd/yyyy)*	Title of Employer or Authorized Representative	
Last Name *(Family Name)*	First Name *(Given Name)*	Employer's Business or Organization Name	
Employer's Business or Organization Address *(Street Number and Name)*	City or Town	State	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name *(if applicable)* Last Name *(Family Name)*	First Name *(Given Name)*	Middle Initial	**B.** Date of Rehire *(if applicable) (mm/dd/yyyy)*:

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date *(if any)(mm/dd/yyyy)*:

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date *(mm/dd/yyyy)*:	Print Name of Employer or Authorized Representative:

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2. Complete the headers of the employee earnings register for each employee. Enter the YTD earnings for each employee.

EMPLOYEE INFORMATION FORM

NAME Thomas Millen	Hire Date 2/1/2015	
ADDRESS 1022 Forest School Rd	Date of Birth 12/16/1982	
CITY/STATE/ZIP Woodstock/VT/05001	Position Production Manager	PT/FT
TELEPHONE 802-478-5055	No. of exemptions 4	M/S
SOCIAL SECURITY NUMBER 031-11-3456	Pay Rate $2,916.67	Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME Avery Towle	Hire Date 2/4/2014	
ADDRESS 4011 Route 100	Date of Birth 7/14/1991	
CITY/STATE/ZIP Plymouth/VT/05102	Position Production Worker	PT/FT
TELEPHONE 802-967-5873	No. of exemptions 1	M/S
SOCIAL SECURITY NUMBER 089-74-0974	Pay Rate $12.00/hour	Hr/Wk/Mo

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Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME Charlie Long	Hire Date 2/7/2014	
ADDRESS 242 Benedict Rd	Date of Birth 3/16/1987	
CITY/STATE/ZIP S. Woodstock/VT/05002	Position Production Worker	PT/FT
TELEPHONE 802-429-3846	No. of exemptions 2	M/S
SOCIAL SECURITY NUMBER 056-23-4593	Pay Rate $12.50/hour	Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME Mary Shangraw	Hire Date 2/5/2014	
ADDRESS 1901 Main St #2	Date of Birth 8/20/1994	
CITY/STATE/ZIP Bridgewater/VT/05520	Position Administrative Assistant	PT/FT
TELEPHONE 802-575-5423	No. of exemptions 1	M/S

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SOCIAL SECURITY NUMBER
075-28-8945 Pay Rate $10.50/hour Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME
Kristen Lewis Hire Date 2/2/2014
ADDRESS Date of Birth
840 Daily Hollow Rd 4/6/1950
CITY/STATE/ZIP Position PT/FT
Bridgewater/VT/05523 Office Manager
TELEPHONE
802-390-5572 No. of exemptions 3 M/S
SOCIAL SECURITY NUMBER
076-39-5673 Pay Rate $2,666.67 Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME
Joel Schwartz Hire Date 2/1/2014

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ADDRESS 55 Maple Farm Wy	Date of Birth 5/23/1985	
CITY/STATE/ZIP Woodstock/VT/05534	Position Sales	PT/FT
TELEPHONE 802-463-9985	No. of exemptions 2	M/S
SOCIAL SECURITY NUMBER 021-34-9876	Pay Rate $2,000/month + commission	Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

EMPLOYEE INFORMATION FORM

NAME Toni Prevosti	Hire Date 2/1/2014	
ADDRESS 10520 Cox Hill Rd	Date of Birth 9/18/1967	
CITY/STATE/ZIP Bridgewater/VT/05521	Position Owner/President	PT/FT
TELEPHONE 802-673-2636	No. of exemptions 5	M/S
SOCIAL SECURITY NUMBER 055-22-0443	Pay Rate $3,750/month	Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

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EMPLOYEE INFORMATION FORM

NAME Student F Success	Hire Date 2/10/2014
ADDRESS 1644 Smitten Rd	Date of Birth 1/1/1991
CITY/STATE/ZIP Woodstock/VT/05001	Position Accounting Clerk
TELEPHONE 555-555-5555	No. of exemptions 2
SOCIAL SECURITY NUMBER 555-55-5555	Pay Rate $2,833.33/month

PT/FT

M/S

Hr/Wk/Mo

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				-						-	-	

Appendix A

There are two versions of a full quarter, from start to finish, payroll project located within Appendix A. Starting in chapter 2, instructors may assign coinciding portions from the appendix to supplement the materials in the textbook. This project may be altered to run from November 15 through the end of the year to provide three pay periods, year-end filings, accruals and reversals. Beginning balances (balances from the solutions manual prior to the November 15th payroll) should be provided to the students for accurate year end processing should this project be altered to three payroll cycles.

The company, Wayland Woodworking, is a semimonthly payroll processor with six employees. There are two versions of this assignment. In one, the company is set in Wyoming with state personal income tax at 5% and in the second it is set in Utah with no state personal income tax. Additionally students will gain experience with pre-tax deductions, commission, exempt, and non-exempt workers.

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