

**TO WHOM IT MAY CONCERN:**

The following schedules are attached to assist you with the 2023 year-end reporting requirements and provide information for calendar year 2024:

Schedule I	2023 Form 1099-MISC and 1099-NEC Reporting
Schedule II	2023 Annual Payroll Reporting
Schedule III	2024 Payroll Tax Information and Other Information

*Please be advised that the information contained in these schedules is not a complete list of all filing requirements, but is to be used as a source of general information. Refer to the individual instructions for detailed information relating to any forms and/or documents that you may be required to file.*

*It is important that you review all publications and form instructions for late changes not reflected at the time the attached information was provided.*

Substantial penalties may be imposed for failure to properly complete and timely file required reports.

To assist with the reporting requirements, links are embedded in the following schedules.

Retain a copy of all reports filed for your company's permanent records.

KERNUTT STOKES LLP

**BEND**

1777 SW Chandler Ave., Suite 280  
Bend, OR 97702  
541.749.4020

**CORVALLIS**

2273 NW Professional Dr., Ste. 200  
Corvallis, OR 97333  
541.752.4556

**EUGENE**

1600 Executive Pkwy., Ste. 110  
Eugene, OR 97401  
541.687.1170

**LAKE OSWEGO**

5 Centerpointe Rd., Suite 400  
Lake Oswego, OR 97035  
503.697.1040

## SCHEDULE I

### 2023 FORM 1099-MISC AND 1099-NEC REPORTING

Schedule I describes information that relates to the preparation of Forms 1099-MISC and 1099-NEC.

The 1099-MISC and 1099-NEC are the most common 1099s issued. It is important to read the instructions for preparing these forms.

Read and review both IRS publications at the following links, before completing any Form 1099s. Page 1 of both publications has areas titled, "What's New, Future Developments, and Reminders."

<http://www.irs.gov/pub/irs-pdf/i1099mec.pdf>

<http://www.irs.gov/pub/irs-pdf/i1099gi.pdf>

Review the following regarding information returns which must be filed with the Internal Revenue Service for specific payments made in the 2023 calendar year. Carefully consider all transactions which might require one or more forms to be filed.

The following paragraphs are areas to review when preparing any Form 1099s but do not cover all reporting requirements.

#### 1. FORM W-9 PLANNING FOR FORM 1099 PREPARATION

Every year you should anticipate that a Form 1099 might need to be issued to eligible recipients. In order to obtain the correct recipient information, the best practice is to obtain a completed Form W-9 from each potential recipient prior to or with initial payments to avoid having to gather the data at the end of the year. Form W-9 asks potential recipients for their federal ID number or Social Security number, federal tax classification, and current address.

<http://www.irs.gov/pub/irs-pdf/fw9.pdf>

#### 2. ELECTRONIC DOCUMENT REPORTING

The IRS recently finalized regulations reducing the mandatory e-filing of information returns. The electronic filing threshold has dropped to 10 forms. No longer is the threshold count by individual form, but a combination of all forms required to be filed. Along with this change if corrections are needed for any e-filed forms then they too must be electronically filed.

The IRS has developed IRIS, an online portal that allows taxpayers to electronically file information returns.

You can locate this portal at the location below.

<https://www.irs.gov/filing/e-file-forms-1099-with-iris>

#### 3. PAPER DOCUMENT REPORTING

Although paper documents are allowed there are guidelines to follow. Refer to the 2023 General Instructions for Certain Information Returns, Section G.

#### 4. FORM 1099 REPORTING AND DUE DATES

There are a variety of reporting requirements and due dates for 1099 reporting.

Refer to the "2023 General Instructions for Certain Information Returns," and review the "Guide to Information Returns" on Pages 26-28 and the "Types of Payment," on Pages 29-30.

#### 5. FORM 1096 - ANNUAL SUMMARY AND TRANSMITTAL OF U.S. INFORMATION RETURNS

Form 1096 is prepared when paper Forms 1099 are mailed to the Internal Revenue Service.

<http://www.irs.gov/pub/irs-pdf/f1096.pdf>

#### 6. HOW TO GET HELP

For answers to questions about reporting see "2023 General Instructions for Certain Information Returns, Section T.

#### 7. 1099 QUESTIONS ON BUSINESS TAX RETURNS AND BUSINESS SCHEDULES

The IRS has two questions on most business and individual tax returns.

- 1) Did you make any payments in the year that would require you to file Form 1099s?
- 2) If "Yes," did you or will you file all required Form 1099s?

It is important that these questions are answered accurately.

#### 8. OREGON ELECTRONIC FILING REQUIREMENTS

Businesses issuing 1099-G, 1099-K, 1099-MISC, 1099-R, 1099-NEC, and W-2G must submit the information returns using iWire regardless of the number of returns prepared. Other 1099s, including 1099-DIV and 1099-INT are not required to be filed with iWire.

<http://www.oregon.gov/dor/programs/businesses/pages/iwire.aspx>

OREGON DOES NOT ACCEPT PAPER FILINGS.

## SCHEDULE II

### 2023 ANNUAL PAYROLL REPORTING

Schedule II describes information related to annual payroll reporting requirements.

#### 1. FORMS W-2 and W-3

Review the "2023 General Instructions for Forms W-2 and W-3" carefully when completing these forms. Read the "Future Developments," "What's New," and "Reminders" on Page 1 for additional information.

<http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

#### 2. DUE DATES - FORMS W-2 AND W-3

Employee copies of Form W-2 must be distributed no later than January 31, 2024.

The due date for filing 2023 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3, and W-3SS with the Social Security Administration is January 31, 2024, whether you file paper forms or electronically.

The IRS recently finalized regulations reducing the mandatory e-filing of information returns. The electronic filing threshold has dropped to 10 forms. No longer is the threshold count by individual form, but a combination of all forms required to be filed. Along with this change if corrections are needed for any e-filed forms then they too must be electronically filed.

#### 3. OREGON FORMS W-2 FILING REQUIREMENTS

Oregon requires all businesses to electronically file Form W-2s on iWire regardless of the number of W-2s issued and are due no later than January 31, 2024.

<http://www.oregon.gov/dor/programs/businesses/pages/iwire.aspx>

#### 4. FEDERAL FORM 940

The 2023 Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return is required to be filed by January 31, 2024.

<http://www.irs.gov/pub/irs-dft/i940--dft.pdf>

#### 5. FEDERAL FORM 943

The Form 943 is filed annually if you paid wages to one or more farm workers and the wages were subject to federal withholding, Social Security, and Medicare taxes.

<https://www.irs.gov/forms-pubs/about-form-943>

6. COMMUNITY SAFETY PAYROLL TAX (EUGENE EMPLOYERS)

All employers with a physical address in the Eugene city limits must register and file with the City of Eugene if paying wages to employees. Reporting is on a quarterly basis.

<http://www.eugene-or.gov/4281/Community-Safety-Payroll-Tax>

Employers must report wages subject to the Community Safety Payroll Tax and the amount of tax withheld for each employee on Form W-2. Report the subject wages in box 18 (local wages, tips, etc.), the payroll tax paid in box 19 (local income tax), and "EUG" in box 20 (locality name).

7. OREGON FORM OR-WR

The 2023 Form OR-WR, Oregon Annual Withholding Tax Reconciliation Report, reconciles the state withholding and statewide transit tax reported for the year, and is due on or before January 31, 2024 and must be electronically filed through Revenue Online.

## SCHEDULE III

### 2024 PAYROLL TAX INFORMATION AND OTHER INFORMATION

Schedule III describes 2024 payroll tax reporting requirements and other supportive information.

For paragraphs 1-4, refer to the following link:

<http://www.irs.gov/pub/irs-pdf/p15.pdf>

#### 1. SOCIAL SECURITY AND MEDICARE TAX

The 2024 wage base is \$168,600 for Social Security (old age, survivors, and disability insurance--OASDI). There is no wage base limit for Medicare (hospital insurance). There is no change to the tax rates.

Once Medicare wages reach \$200,000, you must withhold an additional .9% of Medicare tax from the employee's wages. Employers are not subject to this additional Medicare tax.

#### 2. FEDERAL INCOME TAX WITHHOLDINGS

Refer to Publication 15-T, Federal Tax Withholding Methods for federal withholding calculations.

#### 3. FEDERAL UNEMPLOYMENT TAX

The 2024 FUTA wage base is \$7,000 per employee and the tax rate is 6%.

If your FUTA tax liability in a calendar quarter is or exceeds \$500, you must deposit the tax.

#### 4. FEDERAL EMPLOYMENT TAX DEPOSITS

There are two deposit schedules for paying federal withholding, Social Security, and Medicare taxes which are monthly or semiweekly deposits. Refer to Circular E each year to determine what kind of depositor you will be for that year. You will need to calculate the "lookback" period each year.

If you accumulate a tax liability of \$100,000 or more on any day during a deposit period, you must deposit the tax by the close of the next business day, whether you're a monthly or semiweekly schedule depositor.

#### 5. PAYROLL DRAWS

Per Rev. Rul. 68-239. 1968-1 C.B. 414: Draws are "wages" for federal and state payroll tax purposes at the time of payment. Payroll taxes should be calculated on draws and are subject to the same deposit requirements as your regular payroll.

## 6. OREGON INCOME TAX WITHHOLDINGS

Refer to the Oregon Withholding Tax Tables effective January 1, 2024.

Oregon tax deposit rules follow the federal deposit rules.

For paragraphs 7 to 11 refer to the 2024 Oregon Combined Payroll Tax Report.

## 7. STATE UNEMPLOYMENT TAX

The Oregon unemployment taxable wage base for 2024 is \$52,800. In November of 2023, the Oregon Employment Division mails out a notice that provides your 2024 state unemployment tax rate. It is vital you change this rate before running the first payroll in 2024.

## 8. LANE TRANSIT AND TRI-MET EXCISE TAXES

The Lane Transit tax rate for 2024 is .0079. The Tri-Met tax rate for 2024 is .008137.

## 9. WORKERS' COMPENSATION ASSESSMENT RATE

The 2024 workers' compensation assessment rate will be 2.0 cents for each hour or part of an hour worked by each paid employee covered by your workers' compensation insurance policy. (1.0 cents for employees and 1.0 cents for employers).

Do not report fractions of hours. Total each employee's hours worked in the quarter and round any partial hours up to the next whole number. The maximum number of hours per employee per quarter is 999. If an employer does not track hours, a standard 40 hours per week or 174 hours per month for full-time employees is acceptable.

## 10. WORKERS' COMPENSATION ASSESSMENT FOR VOLUNTEER EMPLOYEES

Employers do not need to report hours worked by, or pay the workers' compensation assessment for, volunteer workers, even if they are covered by your workers' compensation insurance policy. "Volunteer workers" include workers who do not receive money and those who receive non-monetary wages for services rendered.

Employers who have both paid employees and volunteer workers covered by your workers' compensation insurance policy need to report only the hours worked by paid employees. Do not include the hours worked by volunteer workers.

Employers who have no paid employees and only volunteer workers, but maintain active workers' compensation insurance coverage, are required to file a quarterly Form OQ to report zero hours worked and zero assessment due. This prevents the receipt of "Failure to File" notices and possible penalties.

## 11. OREGON STATEWIDE TRANSIT TAX

This is a 1% tax on taxable wages withheld from employees wages and remitted each quarter.

Employers must report statewide transit tax withheld in Box 14 of the Form W-2 with the designation ORSTT W/H. The reporting of the statewide transit taxable wages is optional.

## 12. COMMUNITY SAFETY PAYROLL TAX (EUGENE EMPLOYERS)

The Employee tax rate charts for the dates of 7/31/2023 - 6/30/2024 are now available. The rates are subject to change each July 1st.

Review the site for the tax withholding percentages for employees and employers as it is dependent on the number of employees an employer has.

<http://www.eugene-or.gov/4281/Community-Safety-Payroll-Tax>

## 13. NEW HIRE REPORTING

Oregon law requires employers to report within 20 days all new hires and re-hires, including temporary staff, to the Division of Child Support of the Oregon Department of Justice. This information is used to assist in the collection of child support payments.

<http://doj.state.or.us/child-support/for-employers/report-new-hires>

## 14. FORM I-9 EMPLOYMENT ELIGIBILITY VERIFICATION

A revised Form I-9 was published August 11, 2023 with a revision date at the lower left corner "08/01/23" and "expires 07/31/2026" in the upper right corner.

<http://www.USCis.gov/i-9>

## 15. FORM W-4 - EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATES

Review the information regarding the IRS W-4 and Oregon W-4, at the following links:

<http://www.irs.gov/pub/irs-pdf/fw4.pdf>

Oregon Form OR-W-4 not yet published.



## 16. FILING "0" EMPLOYEE PAYROLL REPORTS

If you had no payroll during a quarter, you must file federal and state payroll reports that reflect no payroll.

## 17. OVERTIME REGULATIONS

Employers should verify they are calculating overtime correctly.

United States Department of Labor

<http://www.dol.gov/general/topic/wages/overtimepay>

Bureau of Labor and Industries

<http://www.oregon.gov/boli/employers/pages/overtime.aspx>

Oregon Agricultural Worker Overtime and Tax Credit

<https://www.oregon.gov/dor/programs/businesses/pages/ag-overtime.aspx>

Minimum Wage and Overtime in Agriculture

<https://oregon.gov/boli/employers/pages/minimum-wage-and-overtime-in-agriculture.aspx>

## 18. OREGON MINIMUM WAGE LEVELS

	7/1/2023 - 6/30/2024
- Portland Metro	\$15.45
- Standard	\$14.20
- Nonurban counties	\$13.20

Oregon minimum wage levels change each July 1st.

<http://www.oregon.gov/boli/workers/pages/minimum-wage.aspx>

## 19. OREGON SICK TIME

Employers need to be aware of the sick leave policies.

<http://www.oregon.gov/boli/workers/pages/sick-time.aspx>

## 20. CONTRIBUTIONS FOR RETIREMENT AND OTHER BENEFITS

2024 Contribution Limits	
Contribution	2024 Limit
401(k)/403(b) Employee Contribution	\$23,000
401(k)/403(b) Catch-up Contribution	7,500
401(k)/403(b) Total Contribution <50	68,000
401(k)/403(b) Total Contribution 50+	75,500

457(b) Contribution	23,000
Traditional IRA Contribution	7,000
Traditional IRA Catch-up Contribution	1,000
Roth IRA Contribution	7,000
Roth IRA Catch-up Contribution	1,000
SEP-IRA Contribution	68,000
SIMPLE IRA/SIMPLE 401(k) Contribution	16,000
H.S.A. Contribution (single)	4,150
H.S.A. Contribution (family)	8,300
Healthcare F.S.A. Contribution	3,200

## 21. OREGON SAVES

Oregon has the Oregon Retirement Savings Program, known as OregonSaves for Oregon employees to save for retirement through payroll deductions at work. Every employer in Oregon that does not offer an employer-sponsored retirement plan will need to facilitate OregonSaves for its employees. Employers will be required to register at "www.oregonsaves.com" to either facilitate the program or claim exemption from it if they offer their own retirement plan.

<http://www.oregonsaves.com>

## 22. METRO SUPPORTIVE HOUSING SERVICES TAX (SHS) AND MULTNOMAH COUNTY PRESCHOOL FOR ALL TAX (PFA)

### Metro Supportive Housing Services (SHS) Personal Income Tax

Starting in January of 2022, Metro employers were required to withhold the tax through payroll deductions for employees who earn more than \$200,000 annually or for employees who opt into having the tax withheld. The tax will be reported on the Form W-2 in the local tax section with the name "Metro."

### Multnomah County Preschool for All (PFA) Personal Income Tax

Starting in January of 2022, Multnomah County employers were required to withhold the tax through payroll deductions for employees who earn more than \$200,000 annually or for employees who opt into having the tax withheld. The tax will be reported on the Form W-2 in the local tax section with the name "Mult."

<https://www.multco.us/finance/multnomah-county-preschool-all-personal-income-tax>

## 23. OREGON PAID FAMILY AND MEDICAL LEAVE INSURANCE (PFMLI)

Beginning January 1, 2023, the Oregon Paid Family Leave Act (PFML) took effect for employees who work in Oregon.

The contribution rate is 1% on the first \$168,600 of an employee's wages in a given year.

Employees will pay 60% of the 1% contribution rate. Employers with 25 or more employees will pay 40% of the 1% contribution rate. Employers with fewer than 25 employees are not subject to the 40% employer tax.

If you are self-employed, or an independent contractor, you're not automatically covered by Paid Leave Oregon, and don't have to participate, you can choose coverage if certain guidelines are met.

<https://paidleave.oregon.gov/Pages/default.aspx>

#### 24. WASHINGTON PAID FAMILY AND MEDICAL LEAVE AND WA CARES FUND

Beginning in 2020 Washington started the benefit called Paid Family and Medical Leave for Washington workers. The benefit allows a worker to take time off for a serious health condition or time to tend to a family member.

Premiums apply to both employee and the employer if the employer has fifty (50) or more employees. Employers with less than fifty (50) employees do not pay an employer premium.

Beginning July 1, 2023, Washington began the WA Cares Fund which provides long-term care insurance coverage for Washington workers. This premium is an employee deduction only.

Both premiums are reportable and due quarterly and reported in the same report to the Employment Security Department (ESD).

<http://www.esd.wa.gov>

#### 25. BUSINESS USE STANDARD MILEAGE RATE

The business use standard mileage rate for 2024 is published by the IRS in December.

Other rates related to charitable, medical, or moving purposes for qualified active-duty members of the armed forces are also published.