

Sonoma County Office of Education
Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES
FINANCE USER GROUP MEETING: October 7th 2020

Updates:

1099 Issues

This is the time when you may be receiving notices from the IRS regarding incorrect information reported on 1099's. If you receive a notice about incorrect information supplied on a 1099, please research. Ask for an updated W-9 and make sure the vendor name matches what was reported to the IRS.

Visit the following IRS website for more information if back-up withholding may be necessary.
<https://www.irs.gov/businesses/small-businesses-self-employed/backup-withholding-b-program>

Federal Tax Deposit Notice

Your district may receive a notice stating: Federal Tax Deposit was not filed correctly for the Quarter ending March 31, 2020. Everything was filed correctly, let me know if you receive this notice and I will deal with it.

Reminders:

CalSTRS

When a CalSTRS retiree is performing retired member activities as an independent contractor, they are subject to the CalSTRS Earnings Limits and must be reported to CalSTRS (complete SCOE's CalSTRS Retiree Earnings Paid through Accounts Payable form and CalSTRS form ES-732 Employer Certification of Independent Contractor Status found under SCOE Resources/Forms/Accounts Payable).

The CalSTRS earnings limit for 2020-21 is \$47,713.

CalPERS

CalPERS provided a fact sheet to assist employers on figuring out if an individual should be considered an employee or independent contractor.

<https://www.calpers.ca.gov/docs/forms-publications/employee-or-independent-contractor-factsheet.pdf>

There are consequences for setting up employees incorrectly. Please be mindful and make sure to reference the fact sheet when you are hiring an independent contractor.

Wire Transfers

The County Treasury changed the amount of notice they need in order to process wire transfers.

- Payments greater than \$1 million, please notify at least 7 days in advance
- Payments greater than \$250,000, please notify at least 3 days in advance