



Eye On Washington

Legislative Update



A more human resource.®

Federal Government Shutdown — What You Need to Know

As of 12:00AM ET on Saturday, December 22, 2018 the federal government has shut down due to the lack of budget approval. The duration for this shutdown is undetermined, but the status of the budget approval is being monitored as a priority, and updated communications will be provided.

Background

The federal government receives funding through a legislative process in which Congress enacts appropriations legislation. When Congress does not enact the necessary appropriations bills prior to the start of the fiscal year, legislative measures may be used to ensure that there is no lapse of funding for agency operations. One such mechanism is through the enactment of a “continuing resolution” — a process to fund the federal government, typically at previous years’ levels, for some or all federal agencies over a defined period of time. A continuing resolution may be used to fund the government for a little as a few days, up to an entire year.

Below is a summary of the immediate changes you can expect:

Federal offices that have not yet received full year appropriations will generally be closed during a shutdown. This includes the Internal Revenue Service.

NOTE: The shutdown at the IRS is also expected to impact phone support for Affordable Care Act (ACA) reporting, but for ACA Information Returns (AIR) submissions (replacements, corrections) the IRS system is expected to be operational; however, if a system issue occurs it is unknown if there will be maintenance available.

The U.S. Postal Service (USPS) and the Federal Reserve Bank (FRB) will remain open.

How This Might Affect Your Business Operations

If you are an ADP client:

- **Electronic output will not be affected.** Payments of agency notices, amendments, tax deposits, tax return filings, and other electronic output will continue to be submitted timely.
- **Statute of limitation cases will continue to be processed.** To ensure compliance, ADP will process cases within the statute of limitations as defined by federal regulations.



Eye On Washington

Legislative Update



A more human resource.®

- **Agencies will be unable to process paper documents during the closure.** To minimize the risk of document losses, ADP will hold notice responses, paper amendment and exception returns, and penalty removal or appeal requests, and send them to the agency once normal business operations resume.
- **Agencies will be unable to support incoming calls.** To assist employers with important federal agency inquiries, ADP will prioritize the resolution of these cases with the agency once normal business operations resume.

ADP Compliance Resources

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employment-related human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. For the latest on how federal and state tax law changes may impact your business, visit the *ADP Eye on Washington* Web page located at www.adp.com/regulatorynews.

ADP is committed to assisting businesses with increased compliance requirements resulting from rapidly evolving legislation. Our goal is to help minimize your administrative burden across the entire spectrum of employment-related payroll, tax, HR and benefits, so that you can focus on running your business. This information is provided as a courtesy to assist in your understanding of the impact of certain regulatory requirements and should not be construed as tax or legal advice. Such information is by nature subject to revision and may not be the most current information available. ADP encourages readers to consult with appropriate legal and/or tax advisors. Please be advised that calls to and from ADP may be monitored or recorded.

If you have any questions regarding our services, please call 855-466-0790.