



Eye on Washington

Detailed Look at State, Local and Federal Updates



Timely, topical insights on a variety of payroll and reporting issues.

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State/Territory/District

Arizona Updates Individual Income Tax Withholding Form

Arizona Form A-4 has been modified because the previous Form A-4 is no longer representative of new lower income tax rates.

The Details:

In the 2021 legislative session, Arizona enacted Senate Bill 1828 (SB 1828), which significantly reduced individual tax rates, starting with the 2022 tax year.

The Arizona Department of Revenue (ADOR) is requiring all employees to complete and submit the revised Form A-4, beginning with the 2023 tax year. If an employee does not submit an updated state income tax withholding election, employers must withhold Arizona income tax at the default rate of two percent.

[Frequently Asked Questions](#) provided by the ADOR state:

- Employers have until January 31, 2023, to make the revised Form A-4 available to employees.
- Employers may implement the change immediately upon an employee's submission of the revised Form A-4 and do not need to wait until January 2023.
- Employers should retain a copy of the employee's revised Form A-4. The form should NOT be sent to the ADOR.
- If the employer should utilize a substitute electronic Form A-4 rather than paper, the electronic form can be updated to reflect the new withholding percentage.

To access the revised Arizona Form A-4 and Instructions, click on the link provided below and select the 2023 Form Year.

<https://azdor.gov/forms/withholding-forms/arizona-withholding-percentage-election>

Reminder: Colorado Paid Family and Medical Leave Premiums Begin January 1; Private Plan Rules Released

All employers must begin collecting premiums for Colorado's state-run paid family and medical leave insurance program on January 1, 2023. Details regarding recently released Private Plan Rules can also be found below.

The Details:

Here are some key details about premiums for the program:

- If an employer has 10 or more employees, both the employer and employee must pay a share of the premium. For 2023 and 2024, the employer's and employee's share are set at 0.45 percent of wages each (for a total of 0.9 percent). If an employer has fewer than 10 employees, only the employee must pay a share of the premium (0.45 percent of wages in 2023 and 2024). Employers can estimate premium amounts using a [calculator](#) created by the state. The law allows employers to pay all or part of their employees' share of the premium cost.
- Employers with 10 or more employees in the first quarter of 2023 must pay the employer share of the premium for all calendar quarters in 2023, even if they dip below that threshold during the year.
- When calculating the number of employees, employers must count all employees companywide who were employed during 20 or more workweeks in the previous calendar year. The number of employees employed by an employer will not affect an individual's right to FAMLI leave. More information regarding counting employees, employees living in Colorado, but working in another state and employees working in Colorado, but living in another state can be found in the FAMLI Division's [Premium Rules](#) at 7 CCR 1107-1, Section 1.5.6.
- Employers are prohibited from deducting the employee share of the premium for a pay period where there is a lack of sufficient wages to cover the premium for that pay period.
- Employers are also prohibited from collecting missed premiums from employees in later pay periods. If an employer fails to deduct the maximum allowable employee share of the premium from wages paid for a pay period, the employer is considered to have elected to pay that portion of the employee share.
- Premiums will become due to the state no later than the last day of the month immediately following the end of the calendar quarter for which the premiums have accrued.

Wages Subject to Premiums

Premiums are paid on wages up to the federal Social Security Wage Cap, which is \$160,200 in 2023. For the purposes of the premiums, wages include:

- Salary or hourly wages, including wages as defined under the state's unemployment insurance law, and other compensation, including board, lodging, payments in kind, and/or other benefits provided as compensation for services performed by employees; and
- Commissions, payments on a piecework basis, or bonuses earned for labor or services performed in accordance with the terms of any agreement between an employer and employee.
- Any tips/gratuities and service charges when used by the employer in order to meet the minimum-wage requirements of federal or state law will be deemed to be wages. Wages will also include tips that are received while performing services that constitute employment and that are made known to the employer through a written statement furnished by the employee.
- Tips/gratuities and service charges will also be considered to be wages when the employer exercises significant control over the amount and distribution of money received by an employee as a tip/gratuity or service charge. An employer is considered to have significant control over tips/gratuities or service charges when they are collected by the employer and then redistributed to employees.

An employee's wages will be subject to premiums for all services performed within Colorado and for all services performed both within and outside of the state in certain scenarios. See the state's [Premium Rules](#) for details.

Tax Deposits and Filings

Premiums will become due to the state no later than the last day of the month immediately following the end of the calendar quarter for which the premiums have accrued.

Private Plans

The [Regulations Concerning Private Plans \(7 CCR 1107-5\)](#) were formally adopted on November 1, 2022. The complete Private Plan rules are now adopted and published on the state's [rules page](#). Some [notable changes](#) from the proposed rules include, but are not limited to:

- Approved private plans must take effect no earlier than 60 days after the application date.
- Private plan approvals are good for eight years, with more frequent data reporting and program attestation requirements.
- Employers applying for private plan approval will be subject to an initial \$500 administration fee.
- Employers with approved private plans will be responsible for an annual maintenance fee based on the administrative costs of their particular plan.
- If an employer moves from a private plan to the state-run FAMLl plan, there will not be a fee to do so.

In order to qualify for an approved private plan, the plan must provide all of the same rights, protections and benefits as the FAMLl program.

All Colorado employers will begin paying premiums in 2023. Those who secure an approved private plan effective on or before January 1, 2024 may apply for a refund of paid 2023 premiums, minus the private plan administration fee.

The state anticipates opening the private plan application process sometime between Q1 and Q3 next year and will provide how-to guides with step-by-step instructions to complete the process within "My FAMLl+ Employer" once the functionality is available.

The deadline to submit a private plan application in order to receive a refund for 2023 premium payments is October 31, 2023.

Next Steps:

- Register with the Division of Family and Medical Leave Insurance (DFMLI) via "MyFAMLl+ Employer" by January 1, 2023, once the site goes live.
- Withhold premiums beginning January 1, 2023.
- Submit premiums and wage reports to the DFMLI via "MyFAMLl+ Employer" quarterly by the due date.
- Review the private plan rules if you are considering a private plan option.
- Visit the CO Department of Labor and Employment's website for more information.

Colorado Says PHEL Also Applies to Flu and RSV

Colorado's public health emergency leave requirement applies to not just COVID-19, but also the flu, respiratory syncytial virus (RSV) and similar respiratory illnesses, according to guidance issued by the Colorado Department of Labor and Employment (CDLE). The change is a result of the inclusion of those conditions in Colorado's latest public health emergency (PHE) declaration as of November 11, 2022.

The Details:

By way of background, all employers in Colorado must provide up to 80 hours of public health emergency leave (PHEL). In addition to PHEL covering COVID-19 related absences, the CDLE has confirmed PHEL covers both RSV and the flu as well. The expansion beyond COVID-19 doesn't give employees an extra 80 hours for those conditions. It just means they can use their 80 hours for a broader range of conditions.

According to the CDLE, employees may use PHEL for a range of PHE-related needs, not just for confirmed cases. These needs include:

- Symptoms of COVID-19, flu, RSV or other similar respiratory illnesses.
- Quarantining or isolating due to exposure.
- Testing for COVID-19 or similar respiratory illnesses.
- Vaccination and its side effects.
- Inability to work due to health conditions that may increase susceptibility or risk of COVID-19, flu, RSV or similar respiratory illnesses.
- Needs to care for family (e.g., illness, school closure, etc.).

Employers cannot require documentation from employees to show that leave is for PHE-related needs, according to the CDLE guidance.

The 80-hour PHEL requirement will continue until four weeks after all applicable PHE declarations end or are suspended. Based on current emergency declarations, the PHEL requirement will continue at least into February 2023, and may extend longer if either the federal or the state PHE declaration is renewed further into 2023.

Next Steps:

- Ensure leave policies and practices comply with the expanded PHEL requirement.
- Train supervisors on the changes.
- Watch for developments.

Indiana Updates State Withholding Certificate

The Indiana Department of Revenue (DOR) has issued a revised version of [Departmental Notice #1](#), which includes a change to their state withholding calculation effective October 1, 2022. To accommodate the change to the withholding calculation, the DOR has revised the Indiana "Employee's Withholding Exemption and County Status Certificate," commonly known as Form WH-4.

The Details:

The calculation includes a new additional annual exemption amount for adopted qualifying dependents that can now be claimed on an employee's Form WH-4. Most employees are entitled to deduct an additional \$3,000 per year, per qualifying adopted dependent claimed on line 7 of their Form WH-4.

For a copy of the revised WH-4 and Instructions, [click here](#).

Massachusetts Conforms to Federal Limits for Transit and Parking

Recent legislation has amended Mass. Gen. Laws Ch. 62 § 1(c) to conform to Internal Revenue Code (IRC) Section 132(f) for taxable years beginning on or after January 1, 2022. Consequently, Massachusetts has adopted the federal monthly exclusion amounts for employer-provided parking, transit pass and commuter highway vehicle transportation benefits for the 2022 tax year and beyond.

The Details:

Massachusetts Conformity with Federal Law:

As announced in Technical Release Number 22-13 ([TR 22-13](#)), Massachusetts recently amended its law so that, for personal income tax purposes, Massachusetts now follows the provisions of the IRC for taxable years beginning on or after January 1, 2022.

Therefore, for the 2022 tax year, the Massachusetts monthly exclusion amounts are \$280 for employer-provided parking and \$280 for combined transit pass and commuter highway vehicle transportation benefits.

Massachusetts 2023 Limits:

On December 6, 2022, Massachusetts released [TR 22-15](#) which states the following:

“Due to the change in law, for taxable years beginning on or after January 1, 2022, Massachusetts conforms to IRC § 132(f) as amended and in effect on January 1, 2022. Accordingly, the Massachusetts maximum monthly exclusion amounts for taxable years beginning in 2023 are the same as the federal exclusion amounts: **\$300 for employer-provided parking and \$300 for combined transit pass and commuter highway vehicle transportation benefits.**”

Next Steps:

Employers should discuss the retroactive effective date of the Massachusetts limits and make the necessary adjustments to an employee's taxable income where warranted. Also, for 2023, Massachusetts employees may elect for state and federal income tax purposes the federal exclusion of \$300 for both transit and parking benefits.

Oregon Temporarily Changes Rules to Determine Employer Size for Purposes of Paid Family and Medical Leave Contributions

The Oregon Employment Department (OED) has released a [Temporary Administrative Order](#) that changes the method by which Oregon's paid leave program determines employer size from averaging over a quarter to averaging over 12 months. The order took effect on **November 22, 2022**, and is scheduled to end on **May 20, 2023**.

The Details:

The Director of the OED is required to establish a method by which the number of employees employed by an employer is determined. This impacts, among other things, whether an employer is liable for employer contributions. If an employer has fewer than 25 employees, no employer contribution is required (though such employers may voluntarily choose to contribute).

The method to determine employer size established in the original administrative rules used total quarterly employee count (every employee paid in the quarter) to calculate an annual average. The temporary order instead uses a snapshot monthly employee count (every employee paid for the pay period that includes the twelfth of the month) over the calendar year. The temporary order indicates that the monthly count more accurately accounts for seasonal employment and turnover in determining employer size because it includes fluctuations in employee counts in calculating the average.

The employee count includes the number of employees working in and outside of Oregon, but excludes those hired temporarily to replace eligible employees during periods of Oregon Paid Family and Medical Leave Insurance leave.

The temporary order includes several helpful hypothetical scenarios to illustrate the application of the new temporary order.

Next Steps:

Oregon employers should ensure they are calculating employer size based on the new method outlined in the [temporary order](#).



Upcoming Minimum Wage Increases

Minimum Wage Announcements 11/15/22 – 12/15/22

The following states or localities have announced new minimum wage increases.

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes	Date Added
Michigan	\$10.10	\$3.84	1/1/23	Yes		11/30/22
Richmond, CA (if employer does not pay toward employee medical benefits)	\$16.17	N/A*	1/1/23	Yes		11/30/22
Richmond, CA (if employer pays at least \$1.50 per hour toward employee medical benefits)	\$15.50	\$15.50	1/1/23			11/30/22
San Mateo County, CA (Unincorporated Areas Only)	\$16.50	N/A*	4/1/23	Yes	To date, County has not yet provided	11/22/22

*CA does not allow the use of a tip credit

Upcoming Increases to Minimum Wage Round-Up

The following chart shows the current minimum wage for non-tipped and tipped employees and the next scheduled increase (if any) for each state, the District of Columbia, various U.S. territories/commonwealths and numerous local jurisdictions. Rates listed in black were enacted by federal, state, district, territory or commonwealth law. Rates listed in red were enacted by city or county ordinance. It is important to note that minimum wages that may be paid to individuals under a certain age (e.g. youth wage), to employees during a "training" period, or to employees working for a non-profit are not reflected. **Note: "AI" stands for "Automatic Index."**

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Alabama	\$7.25	\$2.13	None	None
Alaska	\$10.34	\$10.34	\$10.85 (1/1/23)	\$10.85
Arizona	\$12.80	\$9.80	\$13.85 (1/1/23)	\$10.85 (1/1/23)
Flagstaff	\$15.50	\$13.00	\$16.80 (1/1/23)	\$14.80 (1/1/23)
Arkansas	\$11.00	\$2.63	None	None
California (26 or more EEs)	\$15.00	\$15.00	\$15.50 (1/1/23)	\$15.50 (1/1/23)
California (25 or less EEs)	\$14.00	\$14.00	\$15.50 (1/1/23)	\$15.50 (1/1/23)
Alameda City	\$15.75	\$15.75	AI (7/1/23)	AI (7/1/23)

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Belmont	\$16.20	\$16.20	\$16.75 (1/1/23)	\$16.75 (1/1/23)
Berkeley	\$16.99	\$16.99	AI (7/1/23)	AI (7/1/23)
Burlingame	\$15.60	\$15.60	\$16.47 (1/1/23)	\$16.47 (1/1/23)
Cupertino	\$16.40	\$16.40	\$17.20 (1/1/23)	\$17.20 (1/1/23)
Daly City	\$15.53	\$15.53	\$16.07 (1/1/23)	\$16.07 (1/1/23)
East Palo Alto	\$15.60	\$15.60	\$16.50 (1/1/23)	\$16.50 (1/1/23)
El Cerrito	\$16.37	\$16.37	\$17.35 (1/1/23)	\$17.35 (1/1/23)
Emeryville	\$17.68	\$17.68	AI (7/1/23)	AI (7/1/23)
Fremont	\$16.00	\$16.00	AI (7/1/23)	AI (7/1/23)
Foster City	\$15.75	\$15.75	\$16.50 (1/1/23)	\$16.50 (1/1/23)
Half Moon Bay	\$15.56	\$15.56	\$16.45 (1/1/23)	\$16.45 (1/1/23)
Hayward (26 or more employees)	\$15.56	\$15.56	\$16.34 (1/1/23)	\$16.34 (1/1/23)
Hayward (25 or less employees)	\$14.52	\$14.52	\$15.50 (1/1/23)	\$15.50 (1/1/23)
Long Beach – other than hotel/ concessionaire workers (26 or more EEs)	\$15.00	\$15.00	\$15.50 (1/1/23)	\$15.50 (1/1/23)
Long Beach – other than hotel/ concessionaire workers (25 or less EEs)	\$14.00	\$14.00	\$15.50 (1/1/23)	\$15.50 (1/1/23)
Long Beach (Hotel Workers)	\$16.73	\$16.73	AI (7/1/23)	AI (7/1/23)
Long Beach (Concessionaire Workers)	\$16.55	\$16.55	AI (7/1/23)	AI (7/1/23)
Los Altos	\$16.40	\$16.40	\$17.20 (1/1/23)	\$17.20 (1/1/23)
Los Angeles (City)	\$16.04	\$16.04	AI (7/1/23)	AI (7/1/23)
Los Angeles (Unincorporated County)	\$15.96	\$15.96	AI (7/1/23)	AI (7/1/23)
Los Angeles (Hotel Workers)	\$18.17	\$18.17	AI (7/1/23)	AI (7/1/23)
Malibu	\$15.96	\$15.96	AI (7/1/23)	AI (7/1/23)
Menlo Park	\$15.75	\$15.75	\$16.20 (1/1/23)	\$16.20 (1/1/23)
Milpitas	\$16.40	\$16.40	AI (7/1/23)	AI (7/1/23)
Mountain View	\$17.10	\$17.10	\$18.15 (1/1/23)	\$18.15 (1/1/23)
Novato (100 or more EEs)	\$15.77	\$15.77	\$16.32 (1/1/23)	\$16.32 (1/1/23)
Novato (26-99 EEs)	\$15.53	\$15.53	\$16.07 (1/1/23)	\$16.07 (1/1/23)
Novato (25 or less EEs)	\$15.00	\$15.00	\$15.53 (1/1/23)	\$15.53 (1/1/23)
Oakland	\$15.06	\$15.06	\$15.97 (1/1/23)	\$15.97 (1/1/23)
Oakland Hotel Workers with Health Benefits			\$17.37 (1/1/23)	\$17.37 (1/1/23)
Oakland Hotel Workers without Health Benefits			\$23.15 (1/1/23)	\$23.15 (1/1/23)
Palo Alto	\$16.45	\$16.45	\$17.25 (1/1/23)	\$17.25(1/1/23)
Pasadena	\$16.11	\$16.11	AI (7/1/23)	AI (7/1/23)
Petaluma	\$15.85	\$15.85	\$17.06 (1/1/23)	\$17.06 (1/1/23)

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Redwood City	\$16.20	\$16.20	\$17.00 (1/1/23)	\$17.00 (1/1/23)
Richmond (if employer does not pay toward medical benefits)	\$15.54	\$15.54	\$16.17 (1/1/23)	\$16.17 (1/1/23)
Richmond (if employer pays at least \$1.50 per hour toward medical benefits)	\$14.04	\$14.04	\$15.50 (1/1/23)	\$15.50 (1/1/23)
San Carlos	\$15.77	\$15.77	\$16.32 (1/1/23)	\$16.32 (1/1/23)
San Diego	\$15.00	\$15.00	\$16.30 (1/1/23)	\$16.30 (1/1/23)
San Francisco	\$16.99	\$16.99	AI (7/1/23)	AI (7/1/23)
San Jose	\$16.20	\$16.20	\$17.00 (1/1/23)	\$17.00 (1/1/23)
Santa Clara	\$16.40	\$16.40	\$17.20 (1/1/23)	\$17.20 (1/1/23)
San Mateo	\$16.20	\$16.20	\$16.75 (1/1/23)	\$16.75 (1/1/23)
San Mateo County (Unincorporated Areas – 26 or More EEs)	\$15.00	\$15.00	\$15.50 (1/1/23)	\$15.50 (1/1/23)
San Mateo County (Unincorporated Areas – 25 or Less EEs)	\$14.00	\$14.00	\$15.50 (1/1/23) \$16.50 (4/1/23)	\$15.50 (1/1/23) \$16.50 (4/1/23)
Santa Monica	\$15.96	\$15.96	AI (7/1/23)	AI (7/1/23)
Santa Monica (Hotel EEs)	\$18.17	\$18.17	AI (7/1/23)	AI (7/1/23)
Santa Rosa	\$15.85	\$15.85	\$17.06 (1/1/23)	\$17.06 (1/1/23)
Sonoma (26 or more EEs)	\$16.00	\$16.00	\$17.00 (1/1/23)	\$17.00 (1/1/23)
Sonoma (25 or less EEs)	\$15.00	\$15.00	\$16.00 (1/1/23)	\$16.00 (1/1/23)
South San Francisco	\$15.80	\$15.80	\$16.70 (1/1/23)	\$16.70 (1/1/23)
Sunnyvale	\$17.10	\$17.10	\$17.95 (1/1/23)	\$17.95 (1/1/23)
West Hollywood (Hotel Workers)	\$18.35	\$18.35	\$18.86 (7/1/23)	\$18.86 (7/1/23)
West Hollywood (50 or more EEs)	\$16.50	\$16.50	\$17.50 (1/1/23) \$18.86 (7/1/23)	\$17.50 (1/1/23) \$18.86 (7/1/23)
West Hollywood (49 or fewer EEs)	\$16.00	\$16.00	\$17.00 (1/1/23) \$18.86 (7/1/23)	\$17.00 (1/1/23) \$18.86 (7/1/23)
Colorado	\$12.56	\$9.54	\$13.65 (1/1/23)	\$10.63 (1/1/23)
Denver	\$15.87	\$12.85	\$17.29 (1/1/23)	\$14.27 (1/1/23)
Connecticut	\$14.00	\$6.38 Wait staff \$8.23 Bartenders	AI (6/1/23)	None
Delaware	\$10.50	\$2.23	\$11.75 (1/1/23)	None
District of Columbia	\$16.10	\$5.35	AI (7/1/23)	\$6.00 (1/1/23) \$8.00 (7/1/23)
Florida	\$11.00	\$7.98	\$12.00 (9/30/23)	\$8.98 (9/30/23)

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Georgia	\$7.25 (if covered under FLSA) \$5.15 (if not covered under FLSA)	\$2.13	None	None
Guam	\$9.25	\$9.25	None	None
Hawaii	\$10.10	\$9.35 (\$0.75 tip credit only if employee earns \$7.00 more than the minimum wage through tips and wages)	None	None
Idaho	\$7.25	\$3.35	None	None
Illinois	\$12.00	\$7.20	\$13.00 (1/1/23)	\$7.80 (1/1/23)
Chicago (21 or more employees)	\$15.40	\$9.24	AI (7/1/23)	AI (7/1/23)
Chicago (4 - 20 employees)	\$14.50	\$8.70	AI (7/1/23)	AI (7/1/23)
Cook County	\$13.35	\$7.40	AI (7/1/23)	\$7.80 (1/1/23) AI (7/1/23)
Indiana	\$7.25	\$2.13	None	None
Iowa	\$7.25	\$4.35	None	None
Kansas	\$7.25	\$2.13	None	None
Kentucky	\$7.25	\$2.13	None	None
Louisiana	\$7.25	\$2.13	None	None
Maine	\$12.75	\$6.38	\$13.80 (1/1/23)	\$6.90 (1/1/23)
Portland	\$13.50	\$6.50	\$14.00 (1/1/23)	\$7.00 (1/1/23)
Rockland	\$13.00	\$6.50	\$14.00 (1/1/23)	\$7.00 (1/1/23)
Maryland (15 or more EEs)	\$12.50	\$3.63	\$13.25 (1/1/23)	None
Maryland (14 or fewer EEs)	\$12.20	\$3.63	\$12.80 (1/1/23)	None
Howard County (Government Employees)	\$15.00	\$3.63	\$16.00 (7/1/24)	None
Howard County (15 or more EEs)	\$14.00	\$3.63	\$15.00 (1/1/23)	None
Howard County (14 or fewer EEs)	\$12.50	\$3.63	\$13.25 (1/1/23)	None
Montgomery County (51 or more EEs)	\$15.65	\$4.00	AI (7/1/23)	None
Montgomery County (11 - 50 EEs)	\$14.50	\$4.00	\$15.00 (7/1/23)	None
Montgomery County (10 or less EEs)	\$14.00	\$4.00	\$14.50 (7/1/23)	None
Massachusetts	\$14.25	\$6.15	\$15.00 (1/1/23)	\$6.75 (1/1/23)
Michigan	\$9.87	\$3.75	\$10.10 (1/1/23)	\$3.84 (1/1/23)

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Minnesota (Employer annual gross volume exceeds \$500k)	\$10.33	\$10.33	\$10.59 (1/1/23)	\$10.59 (1/1/23)
Minnesota (Employer annual gross volume less than \$500k)	\$8.42	\$8.42	\$8.63 (1/1/23)	\$8.63 (1/1/23)
Minneapolis (More than 100 EEs)	\$15.00	\$15.00	\$15.19 (1/1/23)	\$15.19 (1/1/23)
Minneapolis (100 or fewer EEs)	\$13.50	\$13.50	\$14.50 (7/1/23)	\$14.50 (7/1/23)
St. Paul (Employ more than 10,000 EEs)	\$15.00	\$15.00	\$15.19 (1/1/23)	\$15.19 (1/1/23)
St. Paul (Employ more than 100 EEs)	\$13.50	\$13.50	\$15.00 (7/1/23)	\$13.50 (7/1/23)
St. Paul (Employ 100 or less EEs)	\$12.00	\$12.00	\$13.00 (7/1/23)	\$13.00 (7/1/23)
St. Paul (Employ five or less EEs)	\$10.75	\$10.75	\$11.50 (7/1/23)	\$11.50 (7/1/23)
Mississippi	\$7.25	\$2.13	None	None
Missouri	\$11.15	\$5.58	\$12.00 (1/1/23)	\$6.00 (1/1/23)
Montana	\$9.20	\$9.20	\$9.95 (1/1/23)	\$9.95 (1/1/23)
Nebraska	\$9.00	\$2.13	\$10.50	None
Nevada (no health benefits offered)	\$10.50	\$10.50	\$11.25 (7/1/23)	\$11.25 (7/1/23)
Nevada (health benefits offered)	\$9.50	\$9.50	\$10.25 (7/1/23)	\$10.25 (7/1/23)
New Hampshire	\$7.25	\$3.26	None	None
New Jersey (Six or more EEs)	\$13.00	\$5.13	\$14.13 (1/1/23)	\$5.26 (1/1/23)
New Jersey (Five or less EEs and Seasonal ER)	\$11.90	\$5.13	\$12.93 (1/1/23)	\$5.26 (1/1/23)
New Mexico	\$11.50	\$2.80	\$12.00 (1/1/23)	\$3.00 (1/1/23)
Albuquerque	\$11.50	\$6.90	\$12.00 (1/1/23)	\$7.20 (1/1/23)
Las Cruces	\$11.50	\$4.60	\$12.00 (1/1/23)	\$4.78 (1/1/23)
Santa Fe (City)	\$12.95	\$2.80	AI (3/1/23)	AI (3/1/23)
Santa Fe County	\$12.95	\$3.88	AI (3/1/23)	AI (3/1/23)
New York (other than New York City and Nassau, Suffolk, Westchester Counties)	\$13.20	\$8.80	\$14.20 (12/31/22)	Tipped Service EE \$11.85 (12/31/22) Tipped Food Service Workers \$9.45 (12/31/22)
New York – Nassau, Suffolk, Westchester Counties	\$15.00	\$10.00	None	Tipped Service EE \$12.50 (12/31/22) Tipped Food Service Workers None (12/31/22)
New York City	\$15.00	\$10.00	None	Tipped Service EE \$12.50 (12/31/22) Tipped Food Service Workers None (12/31/22)
North Carolina	\$7.25	\$2.13	None	None
North Dakota	\$7.25	\$4.86	None	None
Northern Mariana Islands	\$7.25	\$2.13	None	None
Ohio	\$9.30	\$4.65	\$10.10 (1/1/23)	\$5.05 (1/1/23)

State / Local	Current Minimum Wage Per Hour	Current Tipped Employee Cash Wage Per Hour	Next Scheduled Increase Minimum Wage Per Hour	Next Scheduled Increase Tipped Employee Cash Wage Per Hour
Oklahoma	\$7.25	\$2.13	None	None
Oregon	\$13.50	\$13.50	AI (7/1/23)	AI (7/1/23)
Oregon – Portland, Urban Growth Boundary	\$14.75	\$14.75	AI (7/1/23)	AI (7/1/23)
Oregon Non-Urban Counties	\$12.50	\$12.50	AI (7/1/23)	AI (7/1/23)
Pennsylvania	\$7.25	\$2.83	None	None
Puerto Rico	\$8.50	\$2.13	\$9.50 (7/1/23)	None
Rhode Island	\$12.25	\$3.89	\$13.00 (1/1/23)	None
South Carolina	\$7.25	\$2.13	None	None
South Dakota	\$9.95	\$4.975	\$10.80 (1/1/23)	\$5.40 (1/1/23)
Tennessee	\$7.25	\$2.13	None	None
Texas	\$7.25	\$2.13	None	None
US Virgin Islands	\$10.50	\$4.20	None	None
Utah	\$7.25	\$2.13	None	None
Vermont	\$12.55	\$6.28	\$13.18 (1/1/23)	\$6.59 (1/1/23)
Virginia	\$11.00	\$2.13	\$12.00 (1/1/23)	None
Washington	\$14.49	\$14.49	\$15.74 (1/1/23)	\$15.74 (1/1/23)
Seattle (Employ more than 500 EEs)	\$17.27	\$17.27	\$18.69 (1/1/23)	\$18.69 (1/1/23)
Seattle small employers (500 or fewer employees) who do not pay at least \$2.19/hour toward the employee's medical benefits and/or where the employee does not earn at least \$2.19/hour in tips.	\$17.27	\$17.27	\$18.69 (1/1/23)	\$18.69 (1/1/23)
Seattle small employers who do pay at least \$2.19/hour toward the employee's medical benefits and/or where the employee does earn at least \$2.19/hour in tips.	\$15.75	\$15.75	\$16.50 (1/1/23)	\$16.50 (1/1/23)
SeaTac (Employees other than hospitality and transportation employees)	\$14.49	\$14.49	\$15.74 (1/1/23)	\$15.74 (1/1/23)
SeaTac (Hospitality and transportation employees)	\$17.54	\$17.54	\$19.06 (1/1/23)	\$19.06 (1/1/23)
Tukwila (Employees other than hospitality and transportation employees)	\$14.49	\$14.49	\$15.74 (1/1/23)	\$15.74 (1/1/23)
Tukwila (Hospitality and transportation employees)	\$14.49	\$14.49	Equivalent to SeaTac* (7/1/23)	Equivalent to SeaTac* (7/1/23)
West Virginia	\$8.75	\$2.63	None	None
Wisconsin	\$7.25	\$2.33	None	None
Wyoming	\$7.25	\$2.13	None	None

*Rate not formally announced by Tukwila



PCORI Fee for 2023 Announced

The Internal Revenue Service (IRS) released Notice 2022-59, which establishes the applicable dollar amount for policy and plan years ending on or after October 1, 2022, and before October 1, 2023, in relation to the Patient-Centered Outcomes Research Institute (PCORI) fee established under the Affordable Care Act (ACA).

The Details:

The ACA created a nonprofit corporation, PCORI, to support clinical effectiveness research. This entity is to be funded in part by fees paid by certain health insurers and applicable sponsors of self-insured health plans. The goal of PCORI is to assist patients, clinicians, purchasers, and policymakers in making informed health decisions by "advancing the quality and relevance of evidence-based medicine through the synthesis and dissemination of comparative clinical effectiveness research findings." The fee imposed on an insurer is based on the average number of lives covered under the policy and the fee imposed on a plan sponsor of a self-insured health plan is based on the average number of lives covered under the plan.

For policy and plan years ending on or after October 1, 2022, and before October 1, 2023, the adjusted applicable dollar amount is \$3.00 per person. This is a 21-cent increase from the \$2.79 amount in effect for plan and policy years ending on or after October 1, 2021, and before October 1, 2022.

Fully insured plans are to be assessed the applicable PCORI fee amount through their monthly premium payments made to their health insurance carrier. Self-insured plans pay this fee as part of the annual IRS Form 720 filing due by July 31 of each year.

The PCORI fee will increase for each year based on the percentage increase in the projected per capita amount of National Health Expenditures.

For a copy of Notice 2022-59, click on the link provided below.

<https://www.irs.gov/pub/irs-drop/n-22-59.pdf>

Next Steps:

Employers of self-insured plans and carriers of insured plans must submit the required fee along with IRS Form 720 by the July 31st for the plan year ending prior to October 1st of the previous year.

Student Loan Relief Extended Again

The U.S. Department of Education (ED) has announced an extension of the federal student relief that has been in place since March 2020. During the extension, repayments, interest, and collection of federal student loans continue to be suspended. This latest extension is to allow time for the U.S. Supreme Court to hear legal challenges to the Biden Administration's student loan forgiveness program.

Loan repayments will resume 60 days after the ED is allowed to implement Biden's program or the U.S. Supreme Court decides the case. If the program has not been implemented and the litigation has not been resolved by June 30, 2023, repayments will resume 60 days thereafter.

The Details:

On August 24, 2022, President Biden announced a program that allows for a certain amount of student loan debt forgiveness for individuals earning less than \$125,000 (\$250,000 if married filing jointly) in either the 2020 or 2021 tax year. Under the program, borrowers earning less than amounts noted above who received a Pell Grant would be eligible for up to \$20,000 in debt cancellation. Borrowers meeting the income limits, but not receiving a Pell Grant, would be eligible for up to \$10,000 in relief.

Subsequent to the loan forgiveness program announcement, a number of parties filed suit to stop the program from taking effect. The U.S. Supreme Court is set to hear arguments in February 2023 to determine whether the program can be implemented. A decision is expected around June 2023.

Next Steps:

ADP will continue to monitor the legal challenges to the program and will report once the Supreme Court has handed down its decision.

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.