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### *HR WORKBENCH*



## April 2017 Newsletter

To receive free access to the HR Workbench forms and information library, click [here](#).

### How to Correct Form 1094 & 1095 Errors

To avoid potential noncompliance penalties, employers should confirm the accuracy of all Affordable Care Act (ACA) information returns and correct any errors as soon as possible with both the IRS and their employees.

### Errors on Forms 1094-C and 1095-C

Forms 1094-C and 1095-C are used by [applicable large employers](#) to satisfy their reporting obligations. To correct information on the paper version of the original Authoritative Transmittal Form 1094-C, employers should take the following steps:

- Prepare a new authoritative Form 1094-C including the correct information
- Enter an "X" in the CORRECTED checkbox at the top of the form
- File the standalone corrected authoritative Form 1094-C with the IRS

A screenshot of the Form 1095-C, titled "Employee Provided Health Insurance Offer and Coverage". The form includes fields for the employer's name, EIN, and the employee's name and ID. It features a table for listing health insurance offers, with columns for the offer type, employee status, and various insurance details. There are checkboxes for "CORRECTED" and "REVISION" at the top right.

If correcting information on the paper version of a Form 1095-C that was previously filed with the IRS, employers should:

- Prepare a new Form 1095-C
- Enter an "X" in the CORRECTED checkbox at the top of the form
- File the corrected Form 1095-C, along with a non-authoritative Form 1094-C (DO NOT mark the CORRECTED checkbox on the Form 1094-C), with the IRS
- Furnish the employee a copy of the corrected Form 1095-C (note that different rules apply for an employer that is eligible to use the Qualifying Offer Method)

For more information on correcting errors on Forms 1094-C and 1095-C, see the [2016 Instructions for Forms 1094-C and 1095-C](#). Section 7.1 of [Publication 5165](#) provides instructions for making corrections to Forms 1094-C and 1095-C filed electronically.

## Errors on Forms 1094-B and 1095-B

Forms 1094-B and 1095-B are used by self-insuring employers that are not considered applicable large employers, and by other parties that provide minimum essential health coverage. If a Form 1095-B filed with the IRS on paper contains an error, the employer should file a corrected return as follows:

- Fully complete a new Form 1095-B
- Enter an "X" in the CORRECTED checkbox at the top of the form
- File the corrected Form 1095-B, along with a transmittal Form 1094-B, with the IRS
- Furnish a copy of the corrected Form 1095-B to the person identified as the responsible individual

For more information on correcting errors on Forms 1094-B and 1095-B, see the [2016 Instructions for Forms 1094-B and 1095-B](#). Section 7.1 of [Publication 5165](#) provides instructions for making a correction to Forms 1095-B filed electronically.

For more on employer information reporting requirements, check out our section on [Information Reporting](#).

## 2017 Values for Employer-Provided Vehicles Released

The IRS has released the maximum vehicle values for 2017 that taxpayers need to determine the value of personal use of employer-provided vehicles under the IRS's special valuation rules.



### 2017 Maximum Vehicle Values

- The maximum value of employer-provided vehicles first made available to employees for personal use in calendar year 2017, for which the **vehicle cents-per-mile valuation rule** provided under IRS [Regulation section 1.61-21\(e\)](#) may be applicable, is **\$15,900** for a passenger automobile, and **\$17,800** for a truck or van.
- The maximum value of employer-provided vehicles first made available to employees for personal use in calendar year 2017, for which the **fleet-average valuation rule** provided under IRS [Regulation section 1.61-21\(d\)](#) may be applicable, is **\$21,100** for a passenger automobile, and **\$23,300** for a truck or van.

[Click here](#) to read the IRS release on the 2017 maximum vehicle values.

To learn more about the tax consequences of various employer-provided fringe benefits, visit our [Fringe Benefits](#) section.

## USCIS Updates Form I-9 Handbook

U.S. Citizenship and Immigration Services (USCIS) has released an updated M-274, *Handbook for Employers*, which provides guidance for complying with the requirements of Form I-9, *Employment Eligibility Verification*.

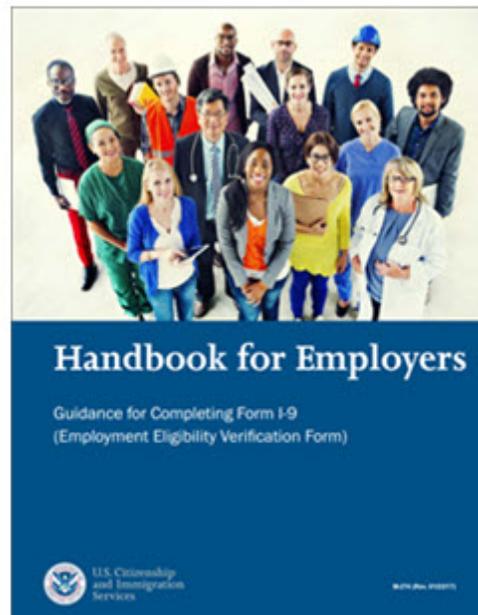
### Updated Handbook

Among other things, the updated handbook provides information and answers on the following topics:

- Completing Form I-9;
- Retaining Form I-9;
- Acceptable documents for verifying employment authorization and identity; and
- Unlawful discrimination and penalties for prohibited practices.

[Click here](#) to access the updated handbook.

For more information on complying with employment eligibility verification requirements, please visit our section on [Form I-9](#).



## 3 Tax Recordkeeping Tips for Employers

Keeping good records not only makes tax filing easier and faster, but it can also help you monitor the progress of your business, prepare your financial statements, and support items reported on your tax returns. Here are three simple tips [from the IRS](#) to help you get organized:



### 1. Save Certain Business Records

The following are some of the types of records you should keep:

- **Gross receipts** are the income you receive from your business. You should keep supporting documents that show the amounts and sources of your gross receipts.
- **Purchases** are the items you buy and resell to customers. Your supporting documents should show the amount paid and that the amount was for purchases.
- **Expenses** are the costs you incur (other than purchases) to carry on your business. Your supporting documents should show the amount paid and a description showing that the amount was for a business expense.
- **Assets** are the property, such as machinery and furniture, that you own and use in your business. You need records to compute the annual depreciation and the gain or loss when you sell the assets.

### 2. Keep Employment Tax Records

The following information should be available for IRS review:

- Your employer identification number (EIN);
- Amounts and dates of all wage, annuity, and pension payments;
- Amounts of tips reported;
- The fair market value of in-kind wages paid;
- Names, addresses, social security numbers, and occupations of employees and recipients;
- Any employee copies of Forms W-2 that were returned to you as undeliverable;
- Dates of employment;
- Periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments you or third-party payers made to them;
- Copies of employees' and recipients' income tax withholding allowance certificates;
- Dates and amounts of tax deposits you made;
- Copies of returns filed;
- Records of allocated tips; and
- Records of fringe benefits provided, including substantiation.

### 3. Store and Organize Your Records

Business owners should generally **keep all employment-related tax records for at least 4 years** after the date that the tax becomes due, or after the tax is paid, whichever is later. The length of time you should keep [other documents](#) depends on the action, expense, or event which the document records.

You can review our section on [Employee Records and Files](#) for information on other federal recordkeeping responsibilities for employers.

## Hiring and Managing Seasonal Employees

With the summer hiring season approaching, employers should begin thinking about how best to hire and manage seasonal employees. Employers who do not dedicate time to these critical steps risk having to face disgruntled employees, unhappy customers, and even legal violations. To learn some best practices for hiring and managing seasonal employees, please watch the video below.



To learn how to attract top talent to your company, check out our [Recruitment & Hiring](#) section.

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