



PAYROLL



DO YOU HAVE EMPLOYEES?

- You might be surprised.
- Most contractors have, at some point in their career, been paid incorrectly with a 1099.
- How do I know who I can 1099?



USE THE LLV

- SECURE.UTAH.GO
V/LLV
- Search for your sub.
 - If you're a sub, you probably shouldn't be issuing 1099s.

Licensee Lookup & Verification System
Information Current as of 03/04/2021

Search by:

Name Search:

Search results BEGINNING with "name" (Examples: "Mary Smith" or "M Smith" or "Smith")
 Search results CONTAINING "name" (wild card search)

Narrow my search by profession:

- ACCOUNTANCY
- ACUPUNCTURE
- ARCHITECT
- ATHLETE AGENTS
- ATHLETIC TRAINER
- BUILDING INSPECTOR
- BURGLAR ALARM
- CHIROPRACTIC



<u>BENNY'S HVAC SERVICES, LLC</u>	SYRACUSE	CONTRACTOR CONTRACTOR WITH LRF	<u>112094-5501</u>	REVOKED
<u>SAH HVAC LLC</u>	KEARNS	CONTRACTOR CONTRACTOR WITH LRF	<u>114448-5501</u>	ACTIVE
<u>SEGO LILY HVAC</u>	CENTERVILLE	CONTRACTOR CONTRACTOR WITH LRF	<u>506023-5501</u>	EXPIRED
<u>SWIFT HEATING & AIR LLC</u>	CENTERVILLE	CONTRACTOR CONTRACTOR WITH LRF	<u>734047-5501</u>	ACTIVE
<u>DESERT SUN GROUP, LLC</u> DBA: ONE TEAM HVAC	SALT LAKE CITY	CONTRACTOR CONTRACTOR WITH LRF	<u>117843-5501</u>	ACTIVE

License Information

Name:	BENNY'S HVAC SERVICES LIMITED LIABILITY COMPANY
City, State, Zip, Country:	SYRACUSE UT 84075 United States
Profession:	Contractor
License Type:	Contractor With LRF
License Number:	112094-5501
Obtained By:	Application
License Status:	Revoked
Original Issue Date:	05/01/2019
Expiration Date:	10/02/2020
Agency and Disciplinary Action*:	YES View Actions
Docket Number:	2020-242

Classification(s):	Qualifier(s):	Association Date(s):
S350 - HVAC Qualifier	BENITO SKINNER	03/11/2019

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SUBCONTRACTORS NEED TO BE LICENSED

- If they're not on this list, they're probably your employee.

<u>3 STATES HEATING & AIR CONDITIONING LLC</u>	HURRICANE	CONTRACTOR CONTRACTOR WITH LRF	<u>6901764-5501</u>	ACTIVE
<u>3-D HEATING & COOLING, INC</u> DBA: DANA HATCH HEATING & COOLING	VERNAL	CONTRACTOR CONTRACTOR WITH LRF	<u>5596008-5501</u>	ACTIVE
<u>365 HEATING & AIR LLC</u>	SAINT GEORGE	CONTRACTOR CONTRACTOR WITH LRF	<u>11807049-5501</u>	ACTIVE
<u>4 SEASONS HEATING & AIR CONDITIONING</u>	MIDVALE	CONTRACTOR CONTRACTOR WITH LRF	<u>371018-5501</u>	EXPIRED
<u>911 PLUMBING HEATING & AIR CONDITIONING INC</u>	WEST JORDAN	CONTRACTOR CONTRACTOR WITH LRF	<u>7328814-5501</u>	REINSTATEMENT DENIED
<u>911 PLUMBING, HEATING, & A/C INC.</u>	WEST JORDAN	CONTRACTOR CONTRACTOR WITH LRF	<u>DENIED</u>	DENIED
<u>A & A WASATCH HEATING & COOL</u>	PROVO	CONTRACTOR CONTRACTOR WITH LRF	<u>282383-5501</u>	CANCELLED
<u>A & B PLUMBING & HEATING</u>	TWIN FALLS	CONTRACTOR CONTRACTOR WITH LRF	<u>231629-5501</u>	EXPIRED
<u>A & T HEATING AND AIR CONDITIONING, INC</u>	BOUNTIFUL	CONTRACTOR CONTRACTOR WITH LRF	<u>227455-5501</u>	ACTIVE

IRS 20-point Checklist for Independent Contractors

Mistakenly classifying an employee as an independent contractor can result in significant fines and penalties. There are 20 factors used by the IRS to determine whether you have enough control over a worker to be an employer. Though these rules are intended only as a guide—the IRS says the importance of each factor depends on the individual circumstances—they should be helpful in determining whether you wield enough control to show an employer-employee relationship. If you answer “Yes” to all of the first four questions, you’re probably dealing with an independent contractor; “Yes” to any of questions 5 through 20 means your worker is probably an employee.

Yes No

1. **Profit or loss.** Can the worker make a profit or suffer a loss as a result of the work, aside from the money earned from the project? (This should involve real economic risk—not just the risk of not getting paid.)
2. **Investment.** Does the worker have an investment in the equipment and facilities used to do the work? (The greater the investment, the more likely independent contractor status.)
3. **Works for more than one firm.** Does the person work for more than one company at a time? (This tends to indicate independent contractor status, but isn’t conclusive since employees can also work for more than one employer.)
4. **Services offered to the general public.** Does the worker offer services to the general public?
5. **Instructions.** Do you have the right to give the worker instructions about when, where, and how to work? (This shows control over the worker.)
6. **Training.** Do you train the worker to do the job in a particular way? (Independent contractors are already trained.)
7. **Integration.** Are the worker’s services so important to your business that they have become a necessary part of the business? (This may show that the worker is subject to your control.)
8. **Services rendered personally.** Must the worker provide the services personally, as opposed to delegating tasks to someone else? (This indicates that you are interested in the methods employed, and not just the results.)
9. **Hiring assistants.** Do you hire, supervise, and pay the worker’s assistants? (Independent contractors hire and pay their own staff.)
10. **Continuing relationship.** Is there an ongoing relationship between the worker and yourself? (A relationship can be considered ongoing if services are performed frequently, but irregularly.)
11. **Work hours.** Do you set the worker’s hours? (Independent contractors are masters of their own time.)
12. **Full-time work.** Must the worker spend all of his or her time on your job? (Independent contractors choose when and where they will work.)
13. **Work done on premises.** Must the individual work on your premises, or do you control the route or location where the work must be performed? (Answering no doesn’t by itself mean independent contractor status.)
14. **Sequence.** Do you have the right to determine the order in which services are performed? (This shows control over the worker)
15. **Reports.** Must the worker give you reports accounting for his or her actions? (This may show lack of independence)
16. **Pay Schedules.** Do you pay the worker by hour, week, or month? (Independent contractors are generally paid by the job or commission, although by industry practice, some are paid by the hour.)
17. **Expenses.** Do you pay the worker’s business or travel costs? (This tends to show control.)
18. **Tools and materials.** Do you provide the worker with equipment, tools, or materials? (Independent contractors generally supply the materials for the job and use their own tools and equipment.)
19. **Right to fire.** Can you fire the worker? (An independent contractor can’t be fired without subjecting you to the risk of breach of contract lawsuit.)
20. **Worker’s right to quit.** Can the worker quit at any time, without incurring liability? (An independent contractor has a legal obligation to complete the contract.)



STILL NOT SURE?

- Try filling out IRS Form SS-8

Form SS-8 (Rev. May 2014) Department of the Treasury Internal Revenue Service		Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding ▶ Information about Form SS-8 and its separate instructions is at www.irs.gov/formss8 .		OMB. No. 1545-0004 For IRS Use Only: Case Number: Earliest Receipt Date:	
Name of firm (or person) for whom the worker performed services			Worker's name		
Firm's mailing address (include street address, apt. or suite no., city, state, and ZIP code)			Worker's mailing address (include street address, apt. or suite no., city, state, and ZIP code)		
Trade name	Firm's email address	Worker's daytime telephone number	Worker's email address		
Firm's fax number	Firm's website	Worker's alternate telephone number	Worker's fax number		

WHAT CAN HAPPEN IF CAUGHT MIS-CLASSIFYING?

- If caught, prepare to pay back:
 - Payroll Taxes
 - Worker's Compensation Premiums
 - If you don't have worker's comp, you might just be stuck paying medical bills.
 - General Liability Premiums
- In addition, the labor commission may issue a separate fine.
- Hiring an unlicensed subcontractor is a Class A Misdemeanor
 - Punishable with up to 364 days in jail and a \$2,500 fine.

A large industrial factory interior with multiple levels, metal structures, and bright lights. The scene is filled with complex machinery, walkways, and structural beams, creating a sense of scale and industrial activity. The lighting is a mix of warm yellow and cool blue tones, highlighting the metallic surfaces and the depth of the facility.

OKAY, THEY'RE NOT OUR
EMPLOYEE. HOW DO WE PAY
THEM?

HOW TO ISSUE A 1099

- Pay them more than \$600.
- Collect a W9 from your Sub.
 - This can tell you whether or not you even need to bother issuing them a 1099.
 - Some entity types (such as corporations) don't need to be issued 1099s.

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification		Give Form to the requester. Do not send to the IRS.
▶ Go to www.irs.gov/FormW9 for instructions and the latest information.				
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.				
2 Business name/disregarded entity name, if different from above				
Print or type. See Specific Instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC	<input type="checkbox"/> C Corporation	<input type="checkbox"/> S Corporation	Exempt payee code (if any) _____
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____	<input type="checkbox"/> Partnership		Exemption from FATCA reporting code (if any) _____
<input type="checkbox"/> Trust/estate	<input type="checkbox"/> Other (see instructions) ▶ _____		(Applies to accounts maintained outside the U.S.)	
5 Address (number, street, and apt. or suite no.) See instructions.			Requester's name and address (optional)	
6 City, state, and ZIP code				
7 List account number(s) here (optional)				
Part I Taxpayer Identification Number (TIN)				
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.				
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.				
			Social security number	
			[] [] [] - [] [] - [] [] [] [] [] []	
			OR	
			Employer identification number	
			[] [] [] [] - [] [] [] [] [] [] [] [] [] []	

1099-NEC

- As of 2020 you should no longer use the 1099-MISC to pay Subcontractors.
- The new form is the 1099-NEC
 - Nonemployee Compensation
- 1099s need to be postmarked by January 31st

7171		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116		2021		Nonemployee Compensation	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				Form 1099-NEC					
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation		Copy A		For Internal Revenue Service Center			
		\$		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale		<input type="checkbox"/>			
RECIPIENT'S name		3		For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.					
Street address (including apt. no.)		4 Federal income tax withheld							
City or town, state or province, country, and ZIP or foreign postal code		\$		5 State tax withheld		6 State/Payer's state no.		7 State income	
Account number (see instructions)		2nd TIN not.		\$		\$		\$	
		<input type="checkbox"/>		\$		\$		\$	
Form 1099-NEC		Cat. No. 72590N		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service			
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page									

A large industrial factory interior with complex machinery and structural elements. The scene is dimly lit with warm, yellowish lights, creating a gritty and industrial atmosphere. The background shows multiple levels of walkways, railings, and large mechanical components, including what appears to be a crane hook hanging from the ceiling. The overall tone is dark and moody.

I CAN'T GET ANY SUBS TO
SHOW UP. HOW DO I JUST
HIRE SOMEBODY?

HIRING THE BEST TALENT

- Recruiting Tools
 - Indeed
 - ZipRecruiter
 - LinkedIn
 - KSL jobs
 - Dept. of Workforce Services
 - Pathways high school programs
 - Utah Corrections Work Program
 - AGC Apprenticeship Program



LET'S HIRE OUR FIRST EMPLOYEE

- Name: Anthony Maloney
- DOB: 07/04/1968
- SSN: 987-65-4321
- Wage: \$26.00 per hour
- Address: 123 Fake Street, Herriman, UT, 84096
- Favorite Color: Taupe
- Favorite Lean Cuisine Flavor: Creamy Basil Chicken



A large industrial factory interior with complex machinery and structural elements. The scene is dimly lit with warm, yellowish lights from overhead fixtures. The structure is composed of dark metal beams, walkways, and various mechanical components. In the foreground, there are large, dark, cylindrical objects, possibly parts of a machine or storage containers. The background shows a vast, open space with more structural elements and a bright light source, possibly a window or a large opening, creating a hazy atmosphere. The overall tone is industrial and somewhat somber.

WE WANT TO HIRE TONY.
HOW MUCH IS HE GOING TO
COST US?

LABOR BURDEN

- Does Tony actually cost \$26 an hour to employ?
- There's more we need to consider...



ADDITIONAL CONSIDERATIONS

- FICA
 - Social Security - 6.2%
 - Medicare – 1.45%
- Federal Unemployment – 0.6%
- State Unemployment – 3%
- Worker's Compensation – 6%
- General Liability – 0.17%
- Tony's "Hourly Rate": \$26.00
- Total: 17.42%
- Tony's actual hourly rate:
 - \$30.52

ADDITIONAL CONSIDERATIONS

- PPE / Uniforms
- Tool Allowance
- Company Events
- Bonuses
- Health Insurance



A large industrial factory interior with complex machinery and structural elements. The scene is dimly lit with warm, yellowish lights, creating a gritty and industrial atmosphere. The background shows a vast space with multiple levels of walkways, railings, and structural beams. In the foreground, there are large, dark metal components and a crane hook hanging from above. The overall tone is somber and industrial.

**WE CAN AFFORD TONY!
WHAT NOW?**



NEW HIRE PAPERWORK

- Paperwork should be filled out before the employee sets foot on the jobsite.
- W4
- I-9
- Supplemental Forms



EMPLOYMENT BEST PRACTICES

- New hire paperwork
 - Paper vs. Electronic Options
- W-4
- Form I-9
 - Keep separate from other New Hire paperwork
 - No requirement to store IDs
 - How long do you keep an I-9?
 - 3 years, or 1 year after termination- whichever is longer



New hire checklist

I-9 STORAGE EXAMPLE

- Joe is hired August 5, 2019
- Joe quits June 1, 2020
- Keep his I-9 until...
 - August 5, 2022
- Sarah is hired May 13, 2016
- Sarah quits September 21, 2020
- Keep her I-9 until...
 - September 21, 2021



EMPLOYMENT BEST PRACTICES

- Timekeeping/payroll records
 - Timecards for 2 years minimum
 - Payroll records for 3 years minimum
- Tax records
 - 4 years

W4

- The W4 has been updated in 2020.
- This form determines the employee's tax withholdings.
- W4 in the door, W2 when you're through.

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.		2020
Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number	
	Address			▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code			
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.				
Step 2: Multiple Jobs or Spouse Works	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld ▶ <input type="checkbox"/> TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.			

Employee's Withholding Certificate

2020

- ▶ **Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.**
- ▶ **Give Form W-4 to your employer.**
- ▶ **Your withholding is subject to review by the IRS.**

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2:
Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

- (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); **or**
- (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**
- (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld ▶

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$	<input type="text"/>	
	Multiply the number of other dependents by \$500 ▶ \$	<input type="text"/>	
	Add the amounts above and enter the total here	3	\$ <input type="text"/>

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$ <input type="text"/>
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$ <input type="text"/>
	(c) Extra withholding. Enter any additional tax you want withheld each pay period	4(c)	\$ <input type="text"/>

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ <input type="text"/>	▶ <input type="text"/>	
	Employee's signature (This form is not valid unless you sign it.)	Date	

Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)
	<input type="text"/>	<input type="text"/>	<input type="text"/>

CLAIMING EXEMPT

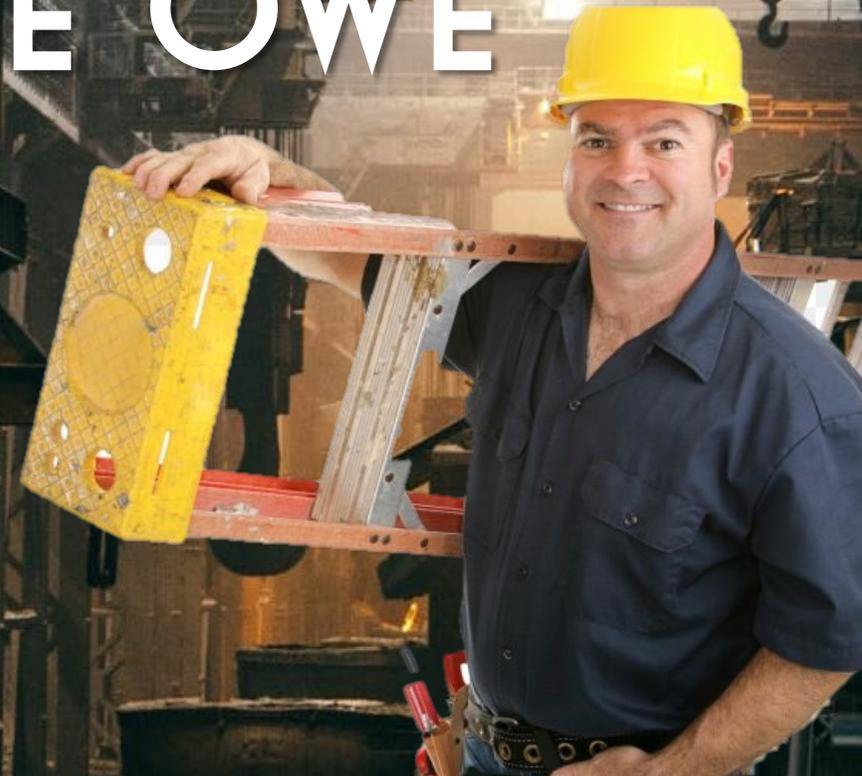
- What happens if someone claims exempt?
 - The employee must file a new W4 every year before 2-15
 - If no form is filed you should change their withholdings to Single or Married Filing Separately



I-9

- Verifies the employee's eligibility to work in the US.
- Must be **completed** in 3 days.
- Needs to be started on day 1.

TONY'S ONSITE, HOW DO
WE TRACK WHAT WE OWE
HIM?



WAGES AND OVERTIME

- Current federal minimum wage:
 - \$7.25
- Overtime begins after:
 - 40 Hours

TONY MALONEY'S DAY

Time	Activity
6:30 AM	Tony leaves his house for work.
7:06 AM	Tony arrives at the job site. Begins framing work.
11:00 AM	Tony leaves and begins driving to Jobsite B
12:10 PM	Tony arrives at site B. Begins painting.
3:43 PM	Tony leaves early because he's a bad boy.
4:45 PM	Tony arrives home.
6:00 PM	Tony eats Lean Cuisine

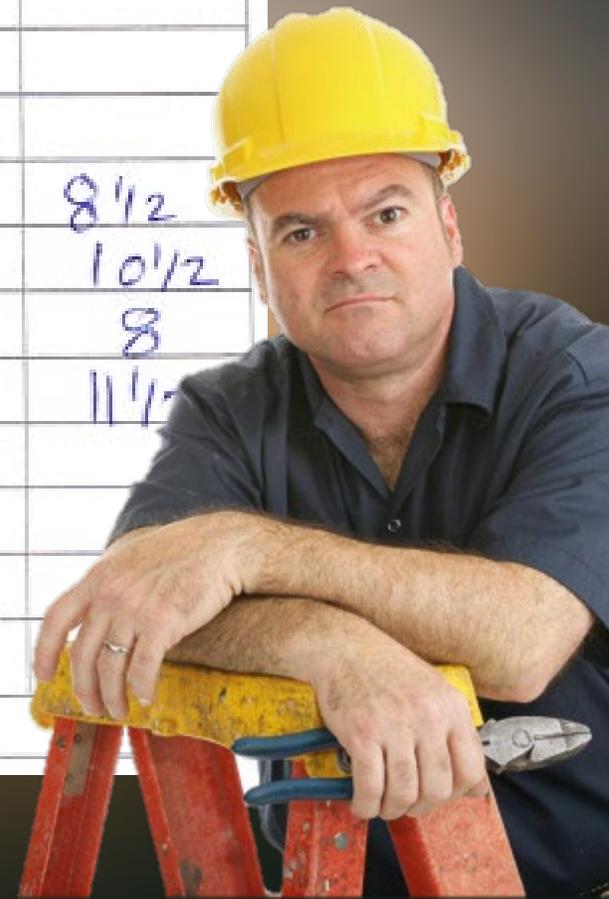
TIMESHEETS

EXTRA TIME		REGULAR TIME		
MONDAY	IN	A.M.	AUG 5 '14 AM 9:10	
	OUT	NOON		
	IN	P.M.	AUG 5 '14 AM 9:10	
TUESDAY	IN	A.M.		
	OUT	NOON	AUG 5 '14 PM 1:38	
	IN	P.M.	AUG 5 '14 PM 2:10	
WEDNESDAY	IN	A.M.	AUG 5 '14 PM 7:21	
	OUT	NOON	AUG 6 '14 AM 9:19	
	IN	P.M.	AUG 6 '14 PM 1:18	
THURSDAY	IN	A.M.		
	OUT	NOON	Angle 2:00pm	
	IN	P.M.	AUG 6 '14 PM 3:50	

EXTRA TIME		REGULAR TIME		
MONDAY	IN	A.M.	AUG 11 '14 AM 9:13	
	OUT	NOON	AUG 11 '14 PM 1:31	
	IN	P.M.	AUG 11 '14 PM 1:54	
TUESDAY	IN	A.M.	AUG 11 '14 PM 7:39	
	OUT	NOON	AUG 12 '14 AM 9:12	
	IN	P.M.	AUG 12 '14 PM 1:42	
WEDNESDAY	IN	A.M.	AUG 12 '14 PM 2:08	
	OUT	NOON	AUG 12 '14 PM 5:56	
	IN	P.M.	AUG 13 '14 AM 9:11	
THURSDAY	IN	A.M.		
	OUT	NOON	No Lunch	
	IN	P.M.	AUG 13 '14 PM 7:05	

Date	Start Time	End Time	Start Time	End Time	Regular Hours	Overtime Hours	Total Hours
6-29	6:00	12:00	12:30	3:30	9		9
6-30	6:00	12:00	12:30	5:00	10 1/2		10 1/2
7-1	6:00	12:00	12:30	4:00	9 1/2		9 1/2
7-2	6:00	12:00	12:30	3:00	8 1/2		8 1/2
7-3							
7-4							
7-6	6:00	12:00	12:30	3:00	8 1/2		8 1/2
7-7	5:30	12:00	12:30	4:30	10 1/2		10 1/2
7-8	6:00	12:00	12:30	2:30	8		8
7-9	5:30	12:00	12:30	5 :30	11 1/2		11 1/2
7-10	6:00	12:00	12:30	4:30	10		10
7-11							

TOTALS:



TIMEKEEPING & JOB COSTING

Research shows employees tend to round an average of 15 minutes per day (in their favor) to their paper time cards.

Example of saving 15 minutes per day from one employee:

		Employee Hours: Doe, John	Job Clock Hours
Employee: Doe, John	Arrives (8:04pm)	8:00 a.m.	8:04 a.m.
Employee: Doe, John	Lunch (12:00pm)	12:00 p.m.	12:00 p.m.
Employee: Doe, John	Returns (1:00 pm)	1:00 p.m.	1:06 p.m.
Employee: Doe, John	Departs (4:55pm)	5:00 p.m.	4:55 p.m.
Total Hours:		8 Hours	7:45 Hours

Example Continued

Number of Employees	10
Average Hourly Wage	\$18.00
Minutes lost per day/per employee:	:15

Savings for your company:

Savings Per Day	\$45.00
Savings Per Week	\$225.00
Savings Per Month	\$945.00
Savings Per Year	\$11,700.00

Calculations are based on an 8 hour work day; 5 day work week; 21 day work month; and 260 day work year.

DRIVE TIME

- Portal-to-Portal Act
- Employers do not need to pay employees for time spent traveling from their homes to their workplace before the start of the workday or following the completion of a work day.
- Employers must pay staff time spent traveling from one workplace to another during the same workday as hours worked.



TRAVEL TIME

- Home to Work Travel
- Home to Work on a Special One Day Assignment in Another City
- Travel That is All in a Day's Work
- Travel Away from Home Community

<https://www.dol.gov/agencies/whd/fact-sheets/22-flsa-hours-worked>



TONY MALONEY'S DAY

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OVERTIME

- In Utah overtime kicks in at the 40 hour mark in a rolling 7 day period.
- What should you do if an employee comes to you and requests that their overtime hours be applied to future paid time off?

PIECE RATE AND OVERTIME

- Piece Rate is not an effective way to get out of paying overtime or the minimum wage.
- Contractor's still need to track employee hours on piece rate jobs.
- If your piece rate guys go over 40 hours you're still expected to pay them overtime.

A large industrial factory interior with complex machinery and structural beams. The scene is dimly lit with warm, yellowish lights, creating a gritty and industrial atmosphere. The text is overlaid in the center in a bold, white, sans-serif font.

**PAYDAY IS COMING UP, HOW
DO WE GET TONY HIS
MONEY?**

FIGURE OUT YOUR PAY PERIOD

- Legal Pay Schedules
 - Weekly
 - 52 pay periods
 - Biweekly
 - 26 pay periods
 - Semi Monthly
 - 24 pay periods

HOW DO I PAY MYSELF AS AN OWNER?

- S-Corp (Or LLC taxed as S-Corp)
 - Pay yourself the equivalent of what you would pay an employee for the same job.
 - Pay both ER/EE taxes.
 - W4 in the door, W2 when you're through.
- LLC or Sole Proprietorship
 - Pay yourself through a draw.
 - Subject to self-employment tax.

PAY METHODS

- Paper Check
- Direct Deposit
- Paycards

- Can I just give him cold hard cash?



CERTIFIED PAYROLL

- What is Certified Payroll?
 - Wages and benefits paid on a government-funded job.
 - Ensures that set wages are paid in accordance to contract documents.
 - Wages are outlined in the Davis-Bacon Act and determined by county/state.



CERTIFIED PAYROLL BASICS

- Contractor/sub-contractor name
- Business address
- Project name & number
- Week ending date
- Day & date for each day in the workweek
- Numbered payrolls

U.S. Department of Labor

Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.



U.S. Wage and Hour Division

Rev. Dec. 2008

OMB No.: 1235-0008
Expires: 04/30/2021

NAME OF CONTRACTOR <input type="checkbox"/> OR SUBCONTRACTOR <input type="checkbox"/>	ADDRESS		
PAYROLL NO.	FOR WEEK ENDING	PROJECT AND LOCATION	PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS					(9) NET WAGES PAID FOR WEEK	
				HOURS WORKED EACH DAY										FICA	WITH- HOLDING TAX			OTHER		TOTAL DEDUCTIONS
			O									/								
			S									/								
			O									/								
			S									/								
			O									/								
			S									/								

CERTIFIED PAYROLL BASICS

- “No Work” payrolls optional – but all weeks must be accounted
- Payrolls must be complete & legible and **originals** submitted to the prime contractor
- Prime contractor reviews payrolls
- Payroll retention = three years

CERTIFIED PAYROLL BASICS

- Compliance statement (w/ **original signature** of corporate official, such as President, Treasurer or Payroll Administrator or letter of delegation from an authorized principal)
- Payrolls are due weekly
- Identify first and final payroll

FRINGE BENEFITS

- Can include employer contributions to health insurance premiums, retirement contributions, life insurance, vacation & sick leave, etc.
- Contractor must identify on certified payroll if fringe benefits are paid or are not paid
- Take total cost of the benefit for a year and divide by 2,080 hours.

Date _____

I, _____ (Name of Signatory Party) _____ (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the _____ (Contractor or Subcontractor)

_____; that during the payroll period commencing on the _____ (Building or Work)

_____ day of _____, _____, and ending the _____ day of _____, _____.

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full _____ (Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

— in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

— Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE _____ SIGNATURE _____

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

JOB COSTING

- Why do we job cost?
 - To ensure the job is profitable.
- Multiple levels of job costing
 - By client
 - By job
 - By task
 - By phase
- Direct/Indirect labor

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TONY MALONEY'S DAY

Time	Activity	Client	Task
6:30 AM	Tony leaves his house for work.		
7:06 AM	Tony arrives at the job site. Begins framing work.	Site A Customer	Framing
11:00 AM	Tony leaves and begins driving to Jobsite B		
12:10 PM	Tony arrives at site B. Begins painting.	Site B Customer	Painting
3:43 PM	Tony leaves early because he's a bad boy.		
4:45 PM	Tony arrives home.		
6:00 PM	Tony eats Lean Cuisine		

NOW THAT WE DID IT, WHAT'S OUR REWARD?

- Compliance on Federal Jobs
- The ability to estimate the correct labor burden per task
- Seeing profitability in real time

WITHOUT JOB COSTING:

- FICA
 - Social Security - 6.2%
 - Medicare – 1.45%
- Federal Unemployment – 0.60%
- State Unemployment – 3%
- **Worker's Compensation – 12%**
- **General Liability – 0.40%**
 - **These are based on your highest rate.**
- Total: 23.65%
- Tony's actual hourly rate: \$32.14

WITH JOB COSTING

- Framing Work
 - Worker's Compensation – 12%
 - General Liability – 0.40%
 - Total: 23.65%
 - Tony's actual hourly rate: \$32.14
- Painting
 - Worker's Compensation – 6%
 - General Liability – 0.17%
 - Total: 17.42%
 - Tony's actual hourly rate: \$30.52

Job Name	Phase	Task	First Name	Regular Hours	Overtime	Regular Earnings	Overtime Earnings	Total	WC/Admin	Total
CONSTRUCT	BIDDING/ESTIMATI	BIDDING	BEN	6.87	1.58	158.01	54.51	212.52	17.97	253.56
CONSTRUCT	BIDDING/ESTIMATI	BIDDING	BRADY	2.67	-	106.80	-	106.80	10.35	128.98
		BIDDING Total		9.54	1.58	264.81	54.51	319.32	28.32	382.55
JOHNSON	18-078 GILILLAND	CON:DRYW	STEPHEN	11.40	-	205.20	-	205.20	18.82	246.31
		CON:DRYW Total		11.40	-	205.20	-	205.20	18.82	246.31
FARREL	20-034 DRIVEWAY	DEMOLITI	ZACHARY	6.92	4.05	96.88	85.05	181.93	17.04	218.79
FARREL	20-034 DRIVEWAY	DEMOLITI	JORDAN	0.53	-	9.54	-	9.54	0.91	11.94
		DEMOLITI Total		7.45	4.05	106.42	85.05	191.47	17.95	230.72
JOHNSON	20-025 JANKE LAI	EXCAVATI	ZACHARY	26.50	-	371.00	-	371.00	34.76	445.69
CONSTRUCT	TRAINING	EXCAVATI	ZACHARY	1.93	-	27.02	-	27.02	2.53	32.88
FARREL	20-010 A&Z OFFIC	EXCAVATI	ZACHARY	4.65	-	65.10	-	65.10	6.10	78.59
FARREL	19-078 2019 STAG	EXCAVATI	ZACHARY	23.69	1.82	331.66	38.22	369.88	34.66	444.36
FARREL	19-002 DPS MFG,	EXCAVATI	BEN	8.42	-	193.66	-	193.66	16.39	231.12
CONSTRUCT	20-025 JANKE LAI	EXCAVATI	BEN	1.52	-	34.96	-	34.96	2.96	42.10
CONSTRUCT	A&Z ASI 19	EXCAVATI	JORDAN	1.82	-	32.76	-	32.76	3.12	39.84
CONSTRUCT	20-025 JANKE LAI	EXCAVATI	JORDAN	17.40	-	313.20	-	313.20	29.83	376.82
CONSTRUCT	20-2429 MONROE &	EXCAVATI	JORDAN	2.05	-	36.90	-	36.90	3.51	44.81
FARREL	20-034 DRIVEWAY	EXCAVATI	JORDAN	5.87	1.43	105.66	38.61	144.27	13.74	173.83
		EXCAVATI Total		93.85	3.25	1,511.92	76.83	1,588.75	147.60	1,910.03

PAYROLL TAXES

- After tracking the time, and paying Tony, you still have to file your payroll taxes.
 - 941
 - SS/Med
 - 940 (FUTA)
- Department Of Workforce Services (Unemployment)
- Social Security Administration (Federal W2 filings)
 - W4 in the door, W2 when you're through.

SO WHEN DO I PAY MY PAYROLL TAXES?

- Payroll taxes can be due annually, quarterly, monthly, or semi-weekly.
- This depends entirely on the size of your tax liability.
- Page 7-3 in the book provides a table.

TONY'S NOT WORKING OUT AS PLANNED

- If we fire Tony, what happens?



UNEMPLOYMENT

- All former employees are able to apply for unemployment
- Employers have the burden of proof
- What does DWS look for when they get a claim?
 - Knowledge
 - Culpability
 - Control



UNEMPLOYMENT

Knowledge

- Did they know?
 - How?
 - Verbal
 - Written
 - Job offer
 - Handbook & Safety Manual
 - Write ups & warnings
 - Can you prove it?



UNEMPLOYMENT

Culpability

- Responsibility
- Were they fired?
 - Who was involved in the incident?
- Did they quit?
 - What was the reason?
 - Hostile work environment
 - Change in job status or pay



UNEMPLOYMENT

Control

- Was the employee in control?
 - Fired
 - What led to it?
 - Could they control this situation
 - Layoff
 - No employee control



A large industrial factory interior with complex machinery and structural elements. The scene is dimly lit with warm, yellowish lights from overhead fixtures. The structure is composed of dark metal beams, walkways, and railings. In the background, there are large, cylindrical components and a crane hook hanging from the ceiling. The overall atmosphere is one of a busy, multi-level industrial environment.

I DON'T WANT TO DO ANY
OF THIS. WHAT ARE MY
OPTIONS?

PAYROLL SERVICES

A dark, industrial factory interior with complex machinery, metal structures, and overhead cranes. The lighting is dramatic, with warm yellow lights illuminating parts of the machinery and a cooler blue light from the ceiling. The overall atmosphere is one of a busy, large-scale manufacturing environment.

- In-house Payroll
- Service Provider
- Staffing Service
- PEO

CONSIDER A PEO

- PEOs assume responsibility and liability for payment of wages and compliance with rules and regulations.
- PEOs can handle your taxes.
- PEOs can handle your reporting.

A portrait of a woman with long, wavy blonde hair and blue eyes, smiling. The image is dimmed to serve as a background for the text.

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