

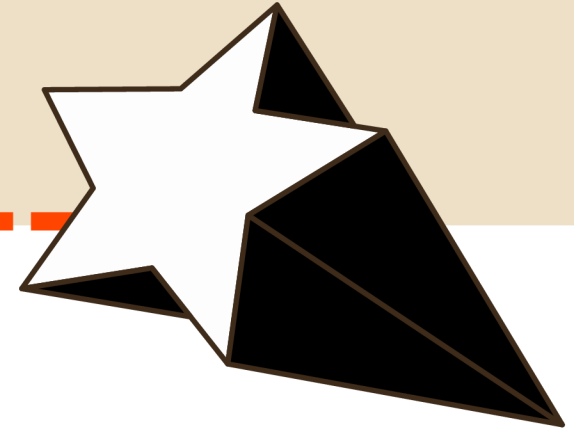


Dominion PayrollSM

Tax

FUTA Credit Reduction

A state is a credit reduction state if it has taken loans from the federal government to meet its state unemployment benefits liabilities and has not repaid the loans within the allowable time frame. A reduction in the usual credit against the full FUTA tax rate means that employers paying wages subject to unemployment insurance (UI) tax in those states will owe a greater amount of tax.



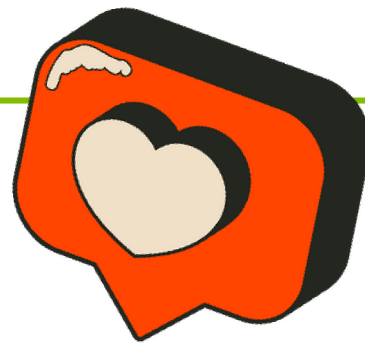
These states already have a credit reduction of 0.6% for 2023 and may face a credit reduction of 0.9% for 2024: California, Connecticut, and New York. The U.S. Virgin Islands also faces a potential credit reduction of 5.1%. The determination will be made after *November 10, 2024*.

If you have an employee in one of these states, you will see an additional .9% in FUTA tax collected to be paid with the 940 at the end of the year. This will be on all FUTA taxable wages earned in the state subject to the credit reduction in 2024, not just for fourth quarter.

This will occur on the first check date in December after December 2nd. This will be on all FUTA taxable wages in 2024, not just for fourth quarter. If you happen to not process another payroll after 12/2, please contact us at tax@dominionpayroll.com

If you have any questions on this, we have provided a link to the IRS web page on what causes the credit reduction.

<https://www.irs.gov/businesses/small-businesses-self-employed/futa-credit-reduction>



Changes for 2025



Social Security Wage Base

2025 | \$174,900

2024 | \$168,600

Find out more information:

<https://www.ssa.gov/oact/cola/cbb.html>

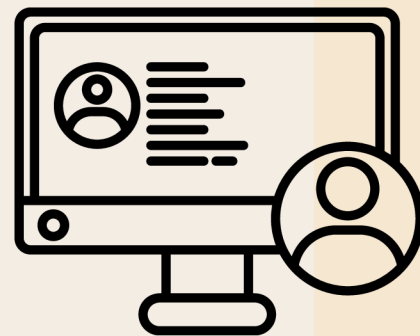
Medicare

No Changes for 2024

Employee and Employer remains at 1.45%

Employees that reach 200k pay
additional 0.9% (250k for MFJ)

Information You Will Receive



2025 State Withholding Deposit Frequency Updates

2025 State Unemployment/Paid Family Leave/Worker's Comp Tax Rates

Please forward this information to tax@dominionpayroll.com

SOC Codes

Several agencies are now requiring that employee SOC Codes be reported with the unemployment filings, and they will be enforced with assessed penalties if not reported timely.

States that require SOC code reporting are: Alaska, Louisiana, North Carolina, South Carolina, Washington, and West Virginia.

If you have an employee, or employees, in these states, please ensure that you have populated their SOC code in iSolved before the end of the year for proper reporting.

Employee Management > Employee Maintenance > Jobs > click on the pencil

< 1 of 22 > ≡ 🔍 **Wednesday Adams** Pay Group: BI-Weekly Hourly: 35.0000 Division:
Employee #: 1021 Status: Active Hire Date: 12/1/2022 Work Location: Main Office Departme

Jobs

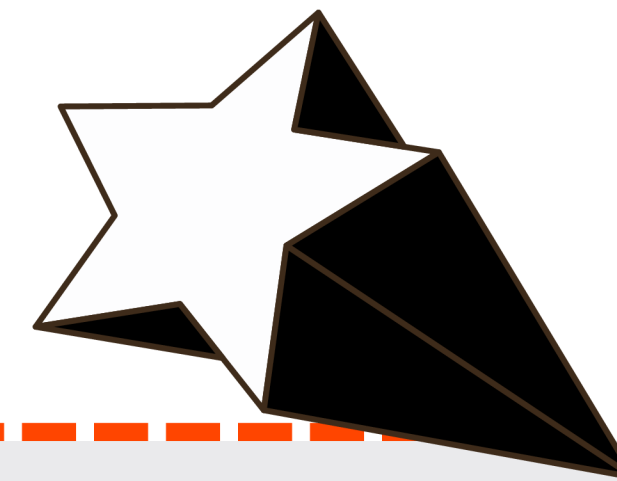
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Job	Workers' Compensation
Job: Search or Select from list	Default Workers' Comp Code: Search or Select from list
* Effective Date: 12/1/2022	Workers' Comp Code: Search or Select from list
Change Reason: Search or Select from list	<input type="checkbox"/> Workers' Comp Exempt
Experience	Default Classification: Search or Select from list
Occupation Start: MM / YYYY	Classification: Search or Select from list
Industry Start: MM / YYYY	Wage Limit Maximum: N/A
Organization Fields	Wage Limit Frequency: N/A
Division: Search or Select from list	Other Options
Department: Search or Select from list	SOC Code Search: Search or Select from list
	Compensation Policy: Search or Select from list





Paperless W-2 Highlights



Easy Access

Reduce administrative nightmare of distribution

Receive by January 10

Also applies to 1099s and ACA 1095s

Save Paper and Postage

Each employee must consent

Secure - No Paper Floating Around

Terminated employees automatically receive paper W-2s

Receive Adjustment Reprints Faster

For more details you can visit our website:
<https://dominionpayroll.com/electronic-w2-faq/>



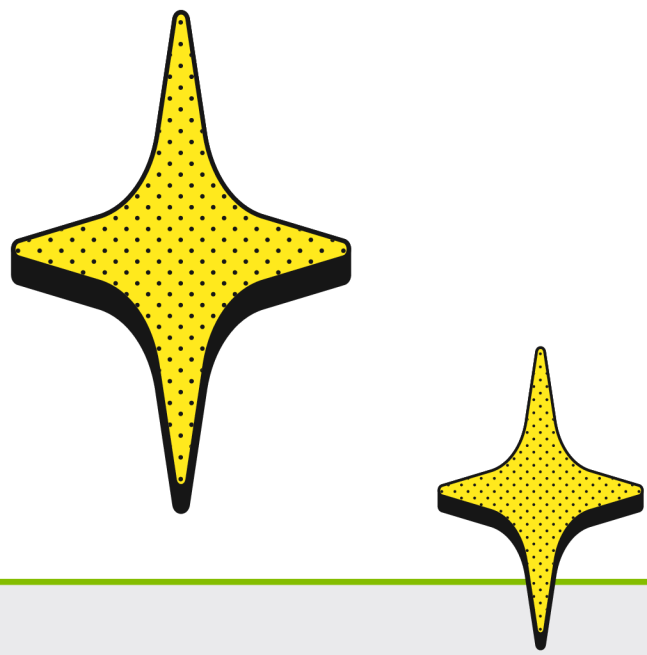
W-2 Information



As we near the time of W-2 filing to the Social Security Administration, it is pertinent that you review your employee records to ensure each employee has a valid Social Security Number. Please also have your employees verify the spelling of their name and their address in iSolved.

Any employee with an invalid or missing Social Security number may cause your W-2 e-file to be rejected on both the federal and state levels, and unfortunately the W-2 filing applications do not generate error reports for us to review. The IRS charges \$250 per W-2 that is filed late, and 1 invalid SSN can cause all W-2s for your company to be rejected, meaning every W-2 will incur the \$250 penalty.





Improving your tax filings and payments



It is important that we have the correct account number for any of your tax agencies. There is a per payroll report in Isolved titled 'Exceptions' and this will list any issues with tax account numbers.

If one is missing and active, we need to have an agency document or website screenshot sent to our tax team at tax@dominionpayroll.com

If you are no longer using the account, send an email to the same address asking for us to make it inactive. If you have not closed the account with the tax agency, please do so on your end.

Most agencies are moving to electronic filing and payments as the only option. If we do not have a valid id number, we cannot process electronically.

In addition, there are several agencies where we need to be linked to your account to file. If we reach out to you about this, please make sure to follow the instructions so we can file correctly. Some examples of these agencies are Colorado Unemployment, Colorado Paid Family Medical Leave, Massachusetts Unemployment and Michigan Unemployment.

Registering for agency accounts



Most agencies will provide an account number immediately when registration is completed. When you get this, send a screenshot or scan a printed copy, to the tax@dominionpayroll.com address. Any documentation needs to have your business name, the agency name and account number.



This link has the websites for all agencies you would need to register.
[2025 State Unemployment/Paid Family Leave/Worker's Comp Tax Rates](#)



When you add a new work location or state, the agency linked to that is automatically added as “applied for.” You should register for the account before you add to the Isolved system, so you have the id number for the first payroll.



Also make sure to provide any tax rates and/or deposit frequencies.



YOU ARE THE BEST



Thank You!

