

MAY 9, 2017

RESUME – REPORT: REQUIRED CHANGE IN METHOD OF COMPENSATING LOCAL BOARD AND COMMISSION MEMBERS

The County Attorney's office assisted the Finance and Human Resources departments in determining the appropriate compensation method and tax withholding requirements for volunteers and appointees on local boards and commissions.

IRS regulations require that volunteers and appointees on local boards and commissions be paid as employees for tax purposes. Therefore, we must change our method of paying board and commission members from accounts payable (as vendors) to payroll (as employees) and make appropriate employer Social Security and Medicare tax contributions and related employee tax withholdings. We will change the method of paying impacted boards and commissions on **July 1, 2017**. This change will create compliance with IRS regulations (IRS Publication 963).

The impacted Boards and Commissions are:

Prince George County Planning Commission
Prince George County Board of Zoning Appeals*
Prince George County Board of Equalization*
Prince George County Social Services Advisory Board

*Meet only as needed and for annual organization

A memo has been prepared and distributed to all impacted board and commission members (attached) and Human Resources is meeting with the Planning Commission and the Social Services Advisory Board (who meet regularly). Necessary forms (I-9 and tax withholding forms) have been provided to impacted individuals and will be collected by Human Resources.

Necessary payroll system changes (addition of pay codes and payroll groups) have been made to accommodate the change.

Formal approval of this change by the Prince George County Board of Supervisors is not required, but staff wanted to inform the board of this update in procedures.

COUNTY OF PRINCE GEORGE, VIRGINIA

Nancy V. Shaffer
Director of Human Resources

P. O. Box 68; 6602 Courts Drive
Prince George, VA 23875-0068



Phone: (804)722-8669
Facsimile: (804)732-1967

County Administration Building
hr@princegeorgecountyva.gov

Memorandum

To: Members of Boards and Commissions

From: Corrie Hurt, Human Resources Analyst

Date: April 20, 2017

Re: Employment Worker Status Change and Payment Changes

IRS publication 963 explains the requirements for compensation of citizens who serve on local boards and commission. More specifically, IRS regulations require that Social Security and Medicare withholding taxes be withheld from citizens who serve on local boards and commissions.

Effective July 1, 2017, in order to comply with the IRS rules, we will transition our elected and appointed boards and commissions onto the County payroll. There are forms that will need to be completed through the Human Resources Department to get you set up as an employee. We will need to obtain the following forms (and documents) from you prior to June 30, 2017:

- Virginia New Hire Reporting Form (HR will complete)
- I-9 (will need to provide acceptable, unexpired documents from list A or B & C from the I-9 form)
- VA4 withholding (state taxes)
- W4 withholding (federal taxes)

Please contact our office at (804) 722-8669 to schedule a time to complete the forms. Payments will not be processed until all forms have been received.