

July 7, 2021

Critical Updates

Reminder: Email Campaign

Palco and Conduent are working together to ensure all current employees, participants and employers of record (EOR) have accurate information on file.

One critical piece of information is your e-mail address. Your e-mail address will be the primary method of communication used by Palco, as well as your personal login ID to Palco's online system.

Later this year we will transition from FOCOnline to Palco CONNECT for submitting and approving timesheets. You will need to be able to log into the Palco CONNECT system. Your login ID will be your e-mail address. Each person (user) is required to have their own unique login ID for the Palco CONNECT system. This means you need to have your own e-mail address. In other words, an employee and an employer cannot have the same e-mail address.

Your e-mail address will also be used for any notifications that are sent regarding timesheets or general program communications. These e-mail notifications will help you ensure timesheets are correct and payments will be on time.

If you are an employee or an employer (EOR) and you are not sure if your correct e-mail address is in the FOCoS system, please contact the Consolidated Customer Service Center (CCSC) at 800-283-4465 to update your e-mail address by phone. You may also update your email address by emailing a Change of Information form to Conduent at docprocessing@conduent.com. Please keep in mind that if you have more than one e-mail address listed in FOCoS, you must choose one (you can call CCSC or e-mail Conduent to update the information).

Major Issues and Resolutions

Employer (EOR) Payroll Taxes

Some taxes are paid on behalf of the employer (EOR). These taxes are listed in the budget as the employer tax burden (ETB) and Workers' Compensation (WC). These employer taxes are accounted for in the participant's budget and are not taken out of the employee's paycheck. These employer taxes (ETB and WC) are handled by Palco, who pays these taxes on the employer's behalf.

If the service provider/caregiver (employee) is a family member, both the employer and the employee may be exempt from employment taxes such as Social Security and Medicare. More information is available at the IRS website, Family Caregivers and Self-Employment Tax: <https://www.irs.gov/businesses/small-businesses-self-employed/family-caregivers-and-self-employment-tax>



The Payroll Information Worksheet (PIW) is used to show the relationship between the employee and the employer of record (EOR). Depending on the relationship, certain taxes are taken out (FICA, FUTA, SUTA) for the employee and there are also payroll taxes paid on behalf of the employer (EOR). An example of this is Medicare, Unemployment and Social Security. An employee and EOR may be “exempt” from these taxes if the employee is:

- the spouse; or
- child under 21; or
- the parent of the employer or record (EOR), includes adoptive and stepparents.

If the employee does not fall under any of the above categories, it means they are “non-exempt.” If an employee is non-exempt, it also means that the employer (EOR) will have certain taxes paid on their behalf. These payroll taxes are paid to State and Federal agencies and submitted on the EOR’s behalf by Palco.

In order to account for the employer’s (EOR) payroll taxes, these amounts are listed in the goal section of the participant’s budget. The employer tax calculations are listed as “ETB” (FICA, FUTA, SUTA) and Workers’ Compensation (WC). These amounts are calculated based on a percentage of the employee’s wages.

The Employer Tax Burden (ETB) contains the following:

FICA: Federal Insurance Contributions Act (7.65%)

FICA Includes:

- Social Security (6.2%)
- Medicare (1.45%)

FUTA: Federal Unemployment Tax (0.6%)

SUTA: State Unemployment Tax (1%)

ETB listed in the budget goal = FICA + FUTA + SUTA: (Totals 9.25%)

This 9.25% is paid as employer (EOR) payroll taxes (this is not deducted from an employee’s paycheck).

In addition to the 9.25% for ETB, Workers’ Compensation is paid as part of the employer taxes (this is also accounted for in the budget calculations).

WC: Workers’ Compensation rate varies from year-to-year. The current value (as of 7/1/21) for WC is 1.7% (for the employer tax portion only).

TOTAL EMPLOYER TAXES: ETB (9.25%) + WC (currently 1.7%) = 10.95%

This ETB + WC = 10.95% as indicated above is for the employer payroll tax. This is part of the participant’s budget but it is only for the employer (EOR) taxes (this is not deducted from an employee’s paycheck).