

2009 PAYROLL TAX QUIZ

1. T F It is not necessary that the employer actually direct or control the manner in which the services are performed, only that the employer have the legal right to exercise that direction or control - to classify as employee
2. T F Jeff is a mason, has an oral contract with Joe to face his home with bricks. Materials and hand tools are supplied by Jeff. He is to be paid when the job is completed, and he can hire helpers to assist him with the job. Jeff is an independent contractor.
3. T F Jose does auto repair services in the repair department of the Smith Auto Corporation. He works from 7:30 a.m. to 5:00 p.m Monday through Friday and is paid on a percentage basis for the work completed. The tools, parts and facilities are provided by Smith Auto and Smith Auto also issues instructions on the amount to be charged, parts to be used and the time for completion of each job. Jose is an independent contractor.
4. T F Joe is a handyman who works whenever he needs the money. He mows a lawn, repairs household items, shovels snow and does other odd jobs. He does not maintain a permanent relationship with any of the people for whom he works. He is an independent contractor
5. T F Jack is the East Coast Distributor for a movie camera company. The company is interested only in Jack's sales results, upon which it pays commissions. The company does not pay for Jack's office expense, direct Jack to prospects or otherwise control his method of selling. Jack is an independent contractor.
6. T F Helen delivers bakery products. She is given a list of customers and provided with a delivery truck and a specific route to be followed. Her hours are set by the company. Helen is an independent contractor.
7. T F Even if 1099 forms are issued to what a company believes is a subcontractor, a later determination that the party was actually an employee could generate payroll tax liabilities and penalties for failure to file, withhold and pay the tax.
8. T F For determination of sub contractor status, it is more vital regarding workers compensation determination since the employer could be sued by the "employee" /subcontractor.
9. T F The burden of proof (as to whether a person is a subcontractor) is on the employee/subcontractor.
10. T F Training a worker by requiring an experienced employee to work with the worker or by requiring the worker to attend meetings, indicates that the persons who want the services performed want the services performed in a specific manner.
11. T F Doing work on an employer's premises especially if it could be done elsewhere, suggests control and employee status.

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12. T F Sally works in a tax office each year from January - April. The owner of the business furnishes her with a computer, software programs, desk space and makes appointments for her through their receptionist. Sally also has a business that she operates out of her home and does tax consulting. Sally is an independent contractor in her work at the office outside her home.
13. T F Adam has guaranteed Fred that, if he does a construction job for him, he will not suffer a loss no matter what happens. This will have an effect on whether he can treat Fred as an independent contractor.
14. T F The mere fact that a worker performs services for a multiple of unrelated persons or firms will qualify him as an independent contractor.
15. T F To qualify as an independent contractor for **OREGON SAIF** - a building contractor must be registered with Construction Contractor's Board.
16. T F If employees are leased and the lease company furnishes the workers compensation coverage, the employer can possibly benefit from a better experience rating than if he hired the workers as employees.
17. T F If a driver is the owner/operator of a vehicle transporting logs or similar items, they may be insured (workers compensation) by the firm employing them.
18. T F If the owner/operator hires another driver to drive his truck so that the truck can work 24 hour shifts, the owner/operator or the company who hired the operator **must** furnish workmans compensation for the driver.
19. T F A determination of employee status form SS8 may be requested for purposes of Federal Employment Taxes and Income Tax Withholding.
20. Federal Minimum wage applies to
- a. Employees directly employed in or supporting interstate commerce
 - b. All laundries
 - c. Farm workers on small farms
 - d. Executive and administrative occupations
 - e. All hospitals, nursing homes and schools
21. Effective **Federal** minimum wage for 2009 is:
- a. \$7.25
 - b. \$8.55
 - c. \$8.40
22. T F Federal law requires overtime pay of at least one and one-half times regular pay for all hours worked over 8 hours in a work day.

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23. T F Certain enterprises are exempt from the Federal requirements for minimum wage and overtime if certain conditions are met.
24. T F Construction firms and laundry/dry cleaning enterprises are covered by Federal law without regard to annual dollar volume.
25. Federal minimum wage applies to employees engaged in interstate commerce. Interstate commerce includes:
- a. Communication by mail, radio, television, telephone
 - b. Transportation by truck rail, air
 - c. Manufacturing and wholesale distribution of foods moving in interstate commerce
 - d. Finance and real estate
 - e. Agriculture, logging and mining
 - f. All of the above
 - g. Items "a" and "b" only
26. T F Federal wage and hour laws do not pre-empt state laws.
27. T F To meet minimum wage for Federal, tips may be counted as well as cash payments for various expenditures such as reasonable cost for room and board and uniforms.
28. T F Small enterprises which gross less than the annual dollar volume requirements for Federal and certain non profit organizations are still subject to Oregon law.
29. T F State and Federal laws require employers to post minimum wage posters.
30. Oregon minimum wage for 2009 is:
- a. \$ 7.95
 - b. \$ 7.80
 - c. \$ 8.40
31. T F In order for wage and hour laws to apply, there must be an employer-employee relationship.
32. T F Volunteers operate outside an employment relationship and are specifically excluded from being employees.
33. T F If a volunteer is an employee for other purposes, the duties may not be the same as his/her regular work duties to be exempt from employer-employee relationship for minimum wage rules.

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34. T F Babysitting on a casual basis is exempt from minimum wage and overtime only if done in the home of the sitter.
35. T F Managers and maintenance workers employed by and residing in a multi-unit accommodations are exempt from minimum wage and overtime if annual dollar volume test for federal coverage is not met.
36. T F **One** of the requirements to qualify for certification to pay less than minimum wage for student learners in vocational training, is that the student must not replace another worker.
37. T F Value of meals furnished may be deducted from minimum wage even if the employee does not want or consume the meals.
38. T F Lodging may be deducted from minimum wage only when the lodging is furnished as a condition of employment.
39. T F Oregon law prohibits using tips to calculate the amount of Oregon minimum wage, even if Federally regulated employment. This means that Oregon employers must pay the full amount of state minimum wage without the benefit of a tip credit.
40. T F Domestic employees who reside in household of employer are exempt from overtime rules.
41. T F All agricultural employees are exempt from overtime rules
42. Which of the following are exempt from overtime rules:
- a. Truck drivers and helpers who are subject to Federal Motor carrier act.
 - b. Salesmen working in automotive or farm implement dealerships
 - c. Mechanics working in auto or farm implement dealerships
 - d. Sales people who sell boats, trailers, or aircrafts
 - e. Employees of motion picture theater enterprises
 - f. All of the above
 - g. All of the above except "b" and "c"
43. T F Hospitals and residential care facilities such as nursing homes may establish a work period of 14 consecutive days for purpose of calculating overtime. This is called the 8 and 80 rule.
44. T F A work week is seven consecutive days beginning on Sunday and ending on Saturday in all cases.
45. T F Oregon wage laws require pay for sick leave and holidays.
46. T F There is no legal requirement to offer benefits but once they are offered they can not be arbitrarily withheld. Benefit offers should be in a written policy to avoid wage disputes.

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47. T F Rest periods are required to be not less than 15 minutes (paid) for every three hour segment worked.
48. T F Meal periods must be allowed not less than 30 minutes if shift is six or more hours and, if seven hours or less but at least six, it must be between the second and fifth hour worked.
49. T F If work period is more than seven hours, a meal period must be allowed between the fifth and sixth hour
50. T F If required to remain on duty during meal period or perform **any** tasks during meal period, the employee **must** be paid for the meal period.
51. T F If a workers shows up for work and there is no work, he must be paid at least 2 hours for showing up.
52. T F All employees who work on farms which did not employ more than 500 man days in any calendar quarter of the preceding calendar year are exempt from minimum wage for Oregon.
53. T F Hand harvesters and pruners employed on farms which did not employ more than 500 piece rate workdays in any calendar quarter of the preceding calendar year are exempt from Oregon minimum wage.
54. T F Agricultural employers are not required to comply with Oregon Administrative rules requiring rest periods and meal periods for adults.
55. In which of the following cases must overtime be paid?
- a. Over 10 hours per day for manufacturing industry workers
 - b. Over 10 hours per day for adult cannery workers
 - c. Over 8 hours in any 24 hour period for mine workers in all cases
 - d. State and local government contracts over 8 hours per day in all cases
 - e. All of the above
 - f. "a" and "b" only
56. T F Federal law allows accumulation of comp time in lieu of overtime pay if employer and employee have made an agreement for performance of the work.
57. T F Seasonal workers may accrue comp time up to 480 hours if their anticipated overtime hours during their busy season are more than 240 hours. This includes tax return processing.
58. T F Firefighters in Oregon must be allowed 48 consecutive hours off duty during each 7 day period.

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59. Maximum hours that may be accrued for non seasonal comp time are:
- a. 160
 - b. 240
 - c. 120
 - d. 200
60. T F Paychecks are due immediately upon termination of employees even if employee quits without notice.
61. T F Minors must have an individual general work permit when employed in any nonagricultural occupation if they are age 14-17
62. T F Employers are required to verify ages of all minors hired.
63. T F Employers who hire minors must apply for an annual employment certificate which covers all locations of the company.
64. T F Employer must submit application for employer's certificate for approval to the Bureau of Labor and Industries. Validated certificates must be posted in a conspicuous location where employees can read it.
65. T F Employers must identify all equipment and machinery to be operated by the minors on the original certificate application and can not change duties or equipment operations once the certificate is issued.
66. T F If employer is a cannery, they may not employ minors to work 10 hours per day without special permit.
67. T F Joe Jones plans to plant some flowers and trees on his home yard area and will require assistance. He may hire minors if the employment is of a very short duration without work permit and without being subject to child labor laws.
68. T F Newspaper carriers (minors) are not required to have work permits and are not subject to any provisions of child labor laws.
69. T F Parents may employ their own children at any age in any occupation under state law.
70. T F Wage and Hour Division issues permits for minors under 14 in very limited circumstances and only after thorough investigation has been made.
71. T F Minors may be employed in agriculture operating power drive farm equipment without employment certificate.
72. T F 14-15 year old minors may only work up to 18 hours per week during school year and only between 7 am and 7 PM. They may only work 3 hours a day on any day that school is in session.

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73. T F During summer vacation 14-15 year old minors may work 40 hours per week and there is no restriction on the time of day.
74. T F If a minor is under 16 he can not perform any duties during meal period.
75. T F Wood cutting is considered a hazardous occupation and is prohibited for minors under 18 years of age.
76. T F Minors under 16 may be employed in business activities where power driven machinery is operated as long as they are not operating the machinery.
77. T F Minors of any age (except babies under 15 days old) may work in films, television productions or sage entertainment productions.
78. Minors under 16 years of age may not:
- a. Work in outside sales
 - b. Work in the office of an auto wrecking yard
 - c. Participate in a work experience program without pay
79. T F OSHA requires a registration for all new businesses.
80. T F Violations of OSHA regulations result in warning "tickets" for the first violation only.
81. T F Failure to post OSHA poster can result in \$100 fine.
82. T F Safety Committees are now mandatory in most places of employment.
83. T F Code books listing requirements for special occupations are available free from Dept of Insurance and Finance.
84. Form SS-4 Employer Identification Number application must be filed:
- a. By each new business
 - b. If business has employees
 - c. If business is incorporated
85. Employees must report tips to employer
- a. Daily at end of shift
 - b. Weekly at end of week
 - c. Monthly at end of month
 - d. Monthly by 10th of following month.
86. T F Tip reports to employers must include tips paid over to the employee for charge customers.

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87. T F Employees are not required to report tips to employer if they are less than \$20 per month since these tips are non-taxable to the employee.
88. T F Employers must deduct withholding, social security and Medicare tax on tips reported to him by the employee.
89. An employee who has furnished a W4 claiming "exempt" must:
- a. Submit a new W4 each year by January 1
 - b. Prove that they are exempt by furnishing employer with tax return copy
 - c. Submit a new W4 each year by Feb. 15
90. Employer must send copies of W4 to IRS if
- a. Employee claims more than 10 allowances
 - b. Employee claims more than 14 allowances
 - c. Employee claims exempt and wages normally exceed \$200 per week
 - d. Employee claims exempt and wages normally exceed \$300 per week
 - e. "a" and "c" only
 - f. "b" and "d" only.
91. T F Employers must verify that each new employee is legally eligible to work in the United States.
92. W4 forms, when required, must be mailed to IRS:
- a. Immediately upon receipt from employee
 - b. At the end of each month
 - c. At the end of quarter along with quarterly report form
93. T F If sick pay is paid by employer, it is subject to withholding taxes.
94. T F If sick pay is paid by a third party, it is not subject to withholding and payroll taxes.
95. T F Employers must keep all employment tax records for at least 3 years.
96. T F Earned income credit is a refundable credit. If credit is larger than tax liability or there is no tax liability, taxpayers may be eligible to receive a refund even if no tax withheld from pay.
97. T F Eligible employees with qualifying child are entitled to receive EIC payments with his or her pay during the year.
98. T F Employees who are eligible for EIC no longer are required to have an eligible child to qualify to receive advanced EIC payments.
99. T F Advanced EIC payments must cease when wages are at least 35,241 for 2009.

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100. T F Advanced EIC payments made by an employer are reimbursed to the employer upon application for reimbursement and are in no way connected to withholding taxes.
101. T F Eligible employees must only file form W5 once with their employer.
102. T F Taxpayers who received EIC in advance MUST file tax returns.
103. T F Employers are **required** to advise employees of the option to apply for Advanced EIC payments.
104. T F If advanced EIC amount is more than employer's taxes due, the employer may **not** reduce the advance payments.
105. T F Advanced EIC must be shown on payroll reports 941 and on W2 forms at end of the year.
106. T F Employers must retain employment records including dates of employment and dates which employees were paid while absent due to sickness or injury.
107. T F Americans with Disabilities Act defines disability to include anyone who has a record of substantially limiting impairment.
108. T F Employers may not ask an applicant whether he or she is disabled or about the nature of their disability.
109. T F Employers may not ask an applicant to take a medical examination before making a job offer.
110. T F Employment taxes on wages paid to household employees are generally reported on the employer's personal income tax return.
111. T F W-4 and I-9 requirements apply to household employees.
112. If you do not receive pre-printed forms 8109 prior to time to make deposits of Federal Withholding, FICA/Medicare taxes or Federal Unemployment you may:
- a. Use a copy of a blank form
 - b. Use an original of a blank form
 - c. Use someone else's form and mark out their name and ID number
 - d. Send the money direct to IRS without a form.
113. T F A statutory employee is not subject to social security and medicare taxes withholding by an employer.
114. T F Federal unemployment tax (FUTA) deposits are due when the accumulated liability reaches \$500.

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115. T F If an employer fails to deduct social security and medicare taxes because he treats the person as a non-employee, he will not be subject to payment of the withholding portion if determination is made that the worker was an employee.
116. T F A full time life insurance salesperson is considered a statutory employee and is subject to FICA/Medicare and FUTA tax by the employer.
117. T F Qualified real estate agents are by law statutory employees.
118. T F A child under 21 who works for his parents is not subject to Federal Unemployment.
119. T F Spouse employed by other spouse is not subject to income tax withholding.
120. T F If a child or spouse works for a corporation, their wages are subject to all payroll taxes even if the corporation is controlled by parent or spouse.
121. T F Wages paid to a parent by a child (employer) are subject to all payroll taxes if paid in services performed in trade or business.
122. T F Bonuses are subject to federal employment taxes.
123. T F Wages not paid in money are subject to federal employment taxes at FMV
124. T F Payment of "gross up" by employer or costs of selling and buying a home are considered reimbursed expenses to employee and not subject to employment taxes.
125. T F Meals and lodging furnished for employer's convenience and on the employer's premises, are not subject to income tax withholding and employment taxes and, in the case of lodging, is a "condition of employment"
126. T F Unless the law says specifically otherwise, fringe benefits are included in gross income and subject to income tax withholding and employment taxes.
127. T F Even though otherwise non taxable as fringe benefits, some fringe benefits are taxable and subject to employment taxes if furnished to highly compensated employees and not available to all employees on a non-discriminatory basis.
128. T F Employers are required to include fringe benefits in wages each pay period.
129. T F If vacation pay is for a longer period than usual pay period, withholding may be taken over pay periods paid for.
130. T F There is a special withholding tax table for part time workers
131. T F Employers may pay their entire employment tax liability with their quarterly report form 941 at the end of each quarter if they don't wish to make deposits.

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132. T F Employers must deposit the taxes withheld from an employee (including FICA and Medicare) by required deposit dates but may wait and deposit the employer's share of FICA and Medicare with quarterly reports.
133. T F If, by the 10th of the month after the month you received an employee tip report, you do not have enough employee funds available to withhold the employee's share of social security and medicare taxes, you no longer have to collect it.
134. T F If tax on tips is not collected, you do not report the tips as wages and tips.
135. T F Adjustments to correct Income Tax Withholding errors can only be made for quarters in the same year on a current 941 report.
136. T F Prior period adjustments can generally be made on a current period 941.
137. T F Adjustments require attachment of form 941c or other statement showing what the error was, when made, amount, date found, and tax.
138. T F If form 941 for the current quarter has already been filed, you may submit the 941c form separately.
139. T F Federal Unemployment (FUTA) reports are filed quarterly.
140. T F Joe is an Oregon resident construction worker. He is employed by an Oregon employer but works in Washington. His Oregon employer must withhold Oregon income tax.
141. T F If Joe's employer is a Washington employer, he must withhold Oregon tax for Joe since Joe is an Oregon resident.
142. T F The Oregon combined registration report includes registration for Lane Transit and Tri Met Transit.
143. T F The Oregon combined registration report includes registration for Oregon Workmans' Compensation (SAIF)
144. Which of the following is not subject to Oregon Withholding tax:
- a. Any item of value paid to an individual for services as an employee
 - b. Wages earned but unpaid at date of employee's death
 - c. Wages paid to minors for bona fide personal service rendered to parents
 - d. Wages paid when an employer-employee relationship exists between husband and wife.
 - e. Temporary forest fire fighters.
145. T F Domestic services in a college fraternity are subject to Oregon withholding tax.

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146. Jan is a real estate sales person. Her sales commissions are:
- a. Subject to both Federal and Oregon withholding tax
 - b. Subject to Federal withholding but not Oregon withholding
 - c. Subject to Oregon withholding but not Federal withholding
 - d. Not subject to either Federal or Oregon withholding
147. Which of the following is subject to Oregon withholding tax:
- a. Casual labor that is not in the regular course of trade or business
 - b. Active service in armed forces
 - c. Duly ordained ministers
 - d. Interstate commerce carriers who earn 60% of their compensation in Oregon.
148. T F Oregon employers support the entire cost of unemployment insurance.
149. T F Employers who become delinquent in payment of withholding tax may be required to post a bond in an amount equal to the amount of tax due for one year.
150. T F You may pay withholding tax with Visa or MasterCard if they are delinquent and over \$25.
151. T F If actual value of meals and lodging is not available for computing State of Oregon Unemployment wages, employer may estimate at whatever they think the value is.
152. T F Non cash payments for agricultural and domestic services are **not** reportable as subject wages for Oregon Unemployment.
153. T F Bonuses are subject to Oregon Unemployment Insurance Tax.
154. T F Wages for non profit organizations are generally subject wages for Oregon Unemployment insurance.
155. Oregon employer has a seasonal employee for 3 months each year for only a few hours a week. Total gross pay is \$200. There are no other employees. The employer:
- a. Is subject to Oregon employment tax on the \$200 in quarter paid
 - b. Is not subject to Oregon employment tax
 - c. Is subject to Oregon employment tax - only annually.
156. Mr Brown is incapable of self care but his family does not want him to go to a foster home. He is financially able to pay for home care and they hire a housekeeper to take care of his house and fix his meals for him. She is paid \$500 per month (awfully low wages!)
- a. Her wages are subject to Oregon Employment tax
 - b. Her wages are **not** subject to Oregon employment tax
 - c. Only \$500 per quarter are subject to Oregon employment tax.

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157. T F A worker who is determined to **not** be an employee for Federal withholding will always qualify as a non-employee for Oregon employment taxes.
158. Which of the following is subject to Oregon employment tax?
- a. Payments to sole proprietor's spouse
 - b. Payments to sole proprietor's parent
 - c. Payments to sole proprietor's 17 year old child
 - d. Payments to Sub S sole stockholder - officer
159. Which of the following is not subject to Oregon employment tax?
- a. An elected public official
 - b. Commission pay
 - c. Separation allowances
 - d. Overtime
 - e. Reported tips
 - f. Housing provided as part of pay.
160. T F When housing or meals are provided as part of pay, Oregon Employment division adopts \$150 per month room and board and \$1.50 per meal as minimum amounts if cash value is not available.
161. T F Withholding from IRA, Annuity, and other Deferred Compensation plan distributions is **mandatory** in Oregon.
162. T F Lane transit taxes are administered by Lane county.
163. T F Transit taxes are only imposed on employers who have employees that **can** ride the bus.
164. Which of the following are exempt from Lane Transit and Tri Met taxes:
- a. Public school districts
 - b. Casual labor
 - c. Agricultural employees for seasonal harvesting of crops
 - d. Firefighters
 - e. City governmental units
 - f. All of the above
 - g. All except "d" and "e"
165. T F Florence is in Lane County and wages paid in Florence are subject to LTD tax.
166. T F Oregon Workers Compensation assessment is calculated on hours worked and administered by SAIF.
167. T F Oregon unemployment insurance, workers compensation assessment and transit taxes are due monthly with an OTC deposit coupon.

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168. T F For most new small business employers, deposit rules are that – if the State tax liability is less than \$2500 for the quarter, the withholding tax payments are due within 30 days after end of the quarter.
169. T F Employers do not have to file Oregon Quarterly reports if they have no payroll for one quarter but will have payroll in a future quarter.
170. T F An additional 20% penalty is assessed on any tax due if it is more than 3 months late (Oregon)
171. T F If employers do not file reports for three years in a row (assuming they were required to do so) the penalty can be 100% of the tax due.
172. T F Penalty for late filing of workers compensation **assessment** if filed more than 10 days after due date is 10% of the outstanding balance with a minimum of \$50 for each violation. In addition, there can be a civil penalty of up to \$2,000 for each violation if payment or report is late.
173. T F If, as of September 1 each year, employer has failed to file all unemployment insurance reports and/or pay the tax due, an **additional** penalty can be assessed on the **previous** year's taxable payroll.
174. T F There is a special form required if you need to make adjustments or corrections to an Oregon quarterly report.
175. T F SAIF is a state owned corporation.
176. T F New small businesses get low rates from SAIF until they have been in business for a year.
177. T F Home health care workers under contract with a private party in a private home are subject to Oregon workers compensation coverage (SAIF)
178. T F A log truck driver who furnishes his own truck is not subject to SAIF
179. T F An adult foster care provider or their employees meeting certain certification requirements while performing foster care duties, are not subject to SAIF
180. T F Jeff is president of a small corporation and owns 15% of the stock. He is also on the board of directors. His salary is **not** subject to SAIF.
181. T F Partners in a construction business who work in the business themselves may elect SAIF coverage.
182. T F All bonus pay is subject pay for Oregon SAIF
183. T F Holiday pay is subject pay for Oregon SAIF
184. T F Wages paid to family members and children are subject pay for SAIF

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185. T F Tips are subject pay for Oregon SAIF
186. T F Vacation pay is **not** subject to Oregon SAIF
187. T F Saw rent (not to exceed 30% of total paid) is not subject pay (Oregon SAIF.)
188. T F A subcontractor who employs other workers must have SAIF policy in effect before he begins work under a contract. If not, they are subject wages for the prime contractor.
189. T F If client employers have their own policy, they are required to cover leased worker wages.
190. T F Prime contractor is responsible for unpaid workers' compensation premiums due if someone under contract (sub contractor) with the prime contractor fails to pay required industrial insurance premiums on his or her employees performing the work.
191. T F California levies a tax upon **employees** for unemployment benefits.

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