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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

There are certain documents you are supposed to have for every employee on your payroll. Among them are the W-4 and the I-9. Mistakes on the I-9 can cause huge penalties. Let's look:

Tackling the Form I-9

General

Form I-9 is also known as the Employment Eligibility Verification Form and it used to verify the identity and employment authorization of all workers that are employed in the US. Employers must complete the form for every worker they hire or face the risk of heavy penalties. Both Employees and Employers (or Authorized Representatives) must complete the Form I-9.

Sections

Section One must be completed by the EMPLOYEE on their first day of employment or before. This section includes rudimentary information about the employee such as Name, Address, SSN, and Date of Birth. Also included are questions pertaining to the employee's right to work in the US and their citizenship status.

Section Two must be completed by the EMPLOYER or

Authorized Representative of the company. This section must be completed within 3 business days of hiring. Employer or RA must examine documents that establish the employee's identity and employment eligibility. The employer may NOT accept expired documents. There is a specific list of Acceptable Documents on the third page of Form I-9. Employees present [One Document from List A] OR [One Document from List B, AND One Document from List C]. Follow directions explicitly! This is where a lot of mistakes can happen and mistakes lead to fines and penalties.

Section Three deals with Reverification and Rehires.

Mistakes

- *Losing the I-9 form
- *Signing Section 1 after the hire date
- *Unchecked box for immigration status

- *Lack of proper signature or date
 - *No full address for employee
 - *Failure of company rep to sign Section 2
 - *Accepting too many documents (ex:completing List C despite a satisfactory List A could trigger an investigation as it could show intent to discriminate.)
 - *Accepting photocopies of documentation rather than original documents
 - *Accepting expired documents
 - *Information entered on wrong line
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3PM SLUMP – TRY THESE IDEAS

1-Try to eat a low-carb breakfast and lunch. Too many carbs and sugar cause the blood to spike and then crash. 2-Stay hydrated. Dehydration can damage your ability to concentrate. 3-Take a walk. A 15-min walk can make you feel better than half a cup of coffee according to a UG Athens study. 4-Listen to music. Music can help your concentration levels. Just as it can uplift your workout, it can uplift work.



Tackling Form I-9

We've discussed WHAT the Form I-9 is, its sections, and common mistakes. Now to really make an impact, we discuss penalties and what you can do to bring your company into compliance the right way! For more information on this and other important topics at your fingertips, consider signing up for HR-on-DEMAND - a great resource for business owners.

"An investment in knowledge pays the best interest."

BENJAMIN FRANKLIN

"I have not failed. I've just found 10,000 ways that won't work."

-Thomas A. Edison

Penalties

Penalties for incorrect or missing I-9 Forms can be imposed by ICE, the US Immigration and Customs Enforcement Agency. The size of penalties depend on various factors including company size and number of violations.

First Offense even for uncorrected technical errors can range from \$234 to \$2,322 PER FORM.

Second and Subsequent Offenses runs \$473 to \$4,586 PER FORM.

If a company **KNOWINGLY** employs unauthorized workers, First Offense fines can range from \$473 to \$4,586.

There is a famous court case, the Asplundh Case, that ended up with a \$95 MILLION judgement due to the hiring and rehiring of

undocumented workers over a six-year period and due to their deliberate attempts to remain "willfully blind". Managers knew some documents were fraudulently made and/or illegally obtained. And, while this represents the largest payment levied in a Form I-9 investigation to date, ICE's Acting Director recently said this was just a warning as he promised up to a five-fold increase in audits and inspections.

WHAT CAN YOU DO?

Internal Audit

Begin performing regular internal audits. Gather your employee files and make an audit log to notate any changes you make or discrepancies you find.

- 1-Collate all I-9 Forms. Ensure you have one for EVERY current employee.

If you are missing one, fill one out with the current date and notate that you found it missing and corrected it with the new form on your audit log.

2-Audit all current employees. Any changes should be shown clearly as a correction. Draw a line through the incorrect information, enter the correct information, initial and date the correction. To correct multiple items, you may redo the section on a new Form I-9 and attach it to the old form. You should only use a new Form I-9 if major errors need to be corrected. All of these items should be notated on your audit log. Never get rid of an I-9 due to mistakes!

- 3-Organize and correct terminated employee I-9s.

The retention period for employees' I-9 forms is One Year following the date of termination or Three Years following the date of hire -whichever is later. (If you hired John 07/24/2020 and his termination date was 07/24/2021, you would need to keep his I-9 on file until 07/24/2023.)

Audits are generally conducted with a Notice of Inspection at least 3 days prior so that you can gather records if they are kept off site. Officials do not need a warrant to conduct an I-9 audit. Should ICE appear on your doorstep, you can insist on a written Notice of Inspection and your right to have 3 business days before you turn over your original forms.

"Where's My Tax Refund?" Log in to <https://www.irs.gov/refunds> and click the blue button "Check My Refund Status". You will need: 1- Your SSN, 2-Filing Status, 3-Exact Refund Amount. Refunds are generally issued within 21 days of when you electronically filed your return or 42 days of when you filed a paper return. CKR Financial Services does not have an "in" with the IRS for information on your refund. This is your best bet to find out where your money is!

