

LEOFF 2 – Non-LEOFF Employer Compensation (L2 NLEC) Reporting

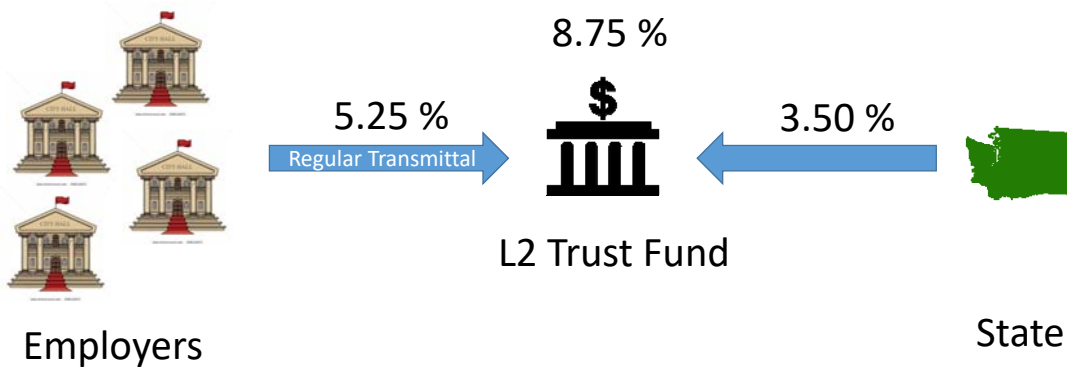
Agenda

- Background
- What is L2 NLEC?
- eServices Reporting
- Payment
- GASB Reporting

What's Changed?



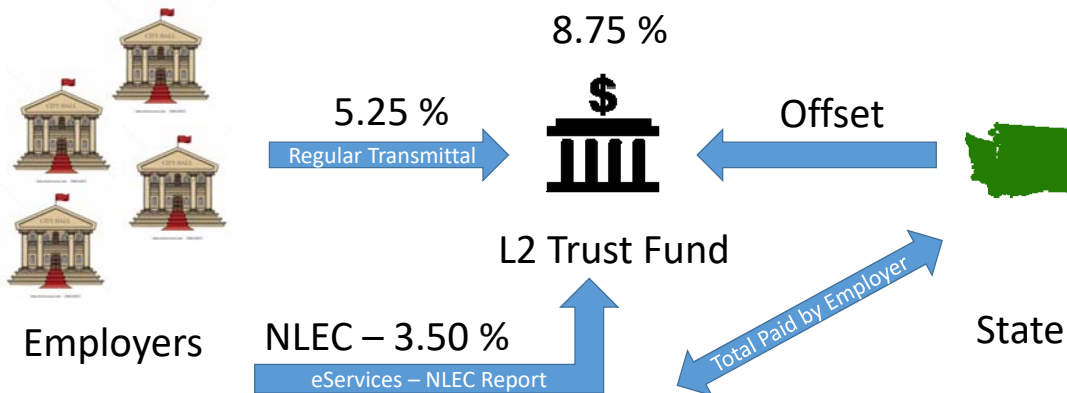
L2 Employer Contribution Reporting Process before change:



What's Changed?



New L2 Employer Contribution Reporting Process



What is L2 NLEC?



What is L2 NLEC?



What is L2 NLEC?



Three Basic Questions:

1. Were the services rendered to a Non-LEOFF employer?

A "Non-LEOFF" employer is any outside entity with the following exceptions:

- Washington municipalities (cities and towns)
- Washington counties (county seats only)
- Washington Ports
- Washington Universities
- Washington State Patrol
- Department of Fish and Wildlife

What is L2 NLEC?



Three Basic Questions:

1. Were the services rendered to a Non-LEOFF employer?

2. Did the LEOFF employer receive a fee, either directly or indirectly, from the non-LEOFF employer for the services?

- The fee the employer receives for the services does not have to match what was actually paid to the L2 employee(s)

What is L2 NLEC?



Three Basic Questions:

1. Were the services rendered to a Non-LEOFF employer?
2. Did the LEOFF employer receive a fee, either directly or indirectly, from the non-LEOFF employer for the services?
3. Did the employer pay LEOFF 2 employees for the outside services, and was the compensation reported to DRS as basic salary?

The compensation is basic salary if:

- It was paid by the LEOFF employer to the employee
- It was for services rendered

What is L2 NLEC?



Three Basic Questions:

If you answer “No” to any of the three questions, then the State portion is not owed.

If you have no NLEC to report, what should you do?

NOTHING!

Don't forget to ask the questions!!

What is L2 NLEC?

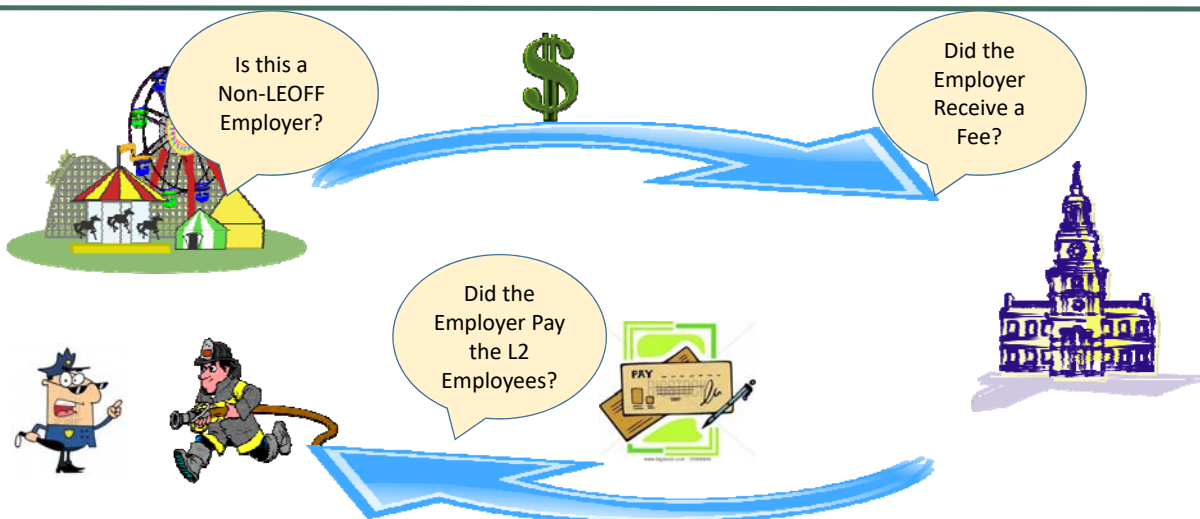


Three Basic Questions:

If you answer “Yes” to all three questions, then NLEC applies

- Employer will owe the additional state rate and must use eServices to report the gross NLEC paid.

What is L2 NLEC?



eServices Reporting



Step 1:

Determine the reporting period you're paying for

Step 2:

Prepare and submit your NLEC report using eServices

Step 3:

Make payment

eServices Reporting



Step 1:

Determine the reporting period you're paying for

- NLEC billings should be grouped with the transmittals on which the NLEC compensation was paid to the employee(s), if possible.
- Receivable is always posted to current reporting period

eServices Reporting



Step 2:

Prepare and submit your NLEC report using eServices

- Report the gross amount paid to all employees for the period.
- NLEC should be reported as-earned, by transmittal processed.
- Retroactive reporting

eServices Reporting



Step 3:

Make payment:

- Add additional contribution to the total balance you're paying for your regular transmittal, or
- Make separate payment
- Make sure you designate the correct reporting period!

GASB Reporting



NLEC reporting is included in our Processed Transmittal Summary and must be considered.

Thank You!



Contact us if you have questions:

Email

employersupport@drs.wa.gov

Telephone

Local 360-664-7200

Toll Free 1-800-547-6657 (option 6)

Option 1 for Accounts Receivable

Option 2 for Employer Support

DRS Web Site

<http://www.drs.wa.gov>