



## 2018 Payroll Fact Sheet

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### IRS Makes Contingency Plans-Government Shutdown 2018

The Treasury Department has updated the contingency plans for the Internal Revenue Service in advance of the federal government shutdown this weekend.

The [updated document](#) describes how the IRS will handle the filing season, which is supposed to begin on Monday, January 29. The IRS is already under pressure to implement the provisions of the Tax Cuts and Jobs Act, which Congress passed last month, and it is dealing with a series of budget cuts in recent years that have led to staffing shortages.

“If the IRS is confronted by a lapse in appropriations during the 2018 Tax Filing Season (January 1 – April 30, 2018) the IRS will need to continue return processing activities to the extent necessary to protect government property, which includes tax revenue, and maintain the integrity of the federal tax collection process, along with certain other activities authorized under the Anti-Deficiency Act,” said the updated contingency plan. “Accordingly, in a shutdown during the filing season, the IRS must except additional positions beyond those identified in the Non-Filing Season Plan. In the event the lapse extends beyond five (5) business days, the Deputy Commissioner for Operations Support will direct the Human Capital Officer to reassess ongoing activities and identify necessary adjustments of excepted positions and personnel.”

#### What to expect

Most federal offices and their operations be closed during the shutdown, including:

- Internal Revenue Service (IRS)
- Social Security Administration (SSA)
- Department of Labor
- Bureau of Labor Statistics (BLS)

NOTE: The shutdown at the IRS is also expected to impact phone support for Affordable Care Act (ACA) reporting, but for ACA Information Returns (AIR) submissions (replacements, corrections) the IRS system is expected to be operational; however, if a system issue occurs it is unknown if there will be maintenance available.

- The U.S. Postal Service (USPS) and the Federal Reserve Bank (FRB) will remain open.

#### How this might impact your business

**Electronic output will not be affected.** Payments of agency notices, amendments, tax deposits, tax return filings, and other electronic output will continue to be submitted timely.

**Agencies will be unable to process paper documents during the closure.** To minimize the risk of document losses, we will hold notice responses, paper amendment and exception returns, and penalty removal or appeal requests, and send them to the agency once normal business operations resume.

**Agencies will be unable to support incoming calls.** To assist employers with important federal agency inquiries, we will prioritize the resolution of these cases with the agency once normal business operations resume.

ConnectPay's compliance team will continue to monitor all developments related to the management of your payroll.

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