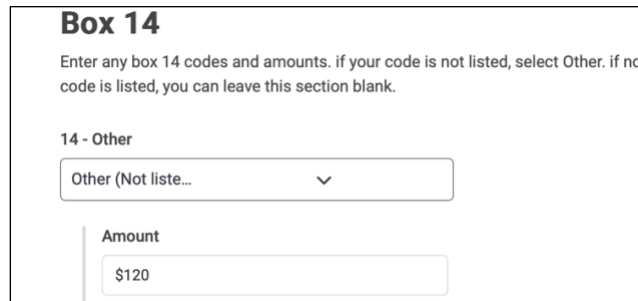


PAID LEAVE OREGON

This is a guideline for how to handle the new Paid Leave Oregon. There is not clear guidance from the IRS, so there are likely other ways to handle the various scenarios, but this summarizes our best understanding at this time. This will likely be reviewed and updated after we have gained more experience or better guidance.

Employee Contributions on the W-2 box 14 labeled “OR PFML” or something similar

- In TaxSlayer, enter the amount in Box 14 as “Other.” The amount will be approximately 0.6% of the wages in Box 1.



Box 14

Enter any box 14 codes and amounts. if your code is not listed, select Other. if no code is listed, you can leave this section blank.

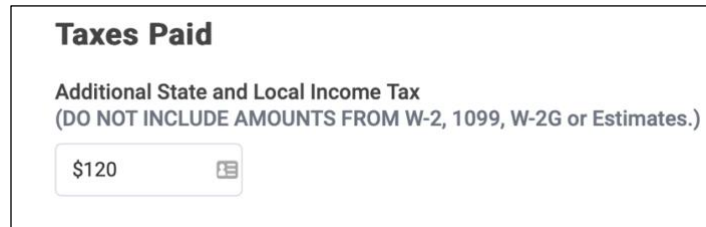
14 - Other

Other (Not liste... ▼

Amount

\$120

- Enter the same amount under “Taxes You Paid” in the “Itemized Deductions” > “Additional State and Local Income Tax” box. This should carry the amount to federal Schedule A but not Schedule OR-A. (This is optional if the client isn’t itemizing for their Federal Return.)



Taxes Paid

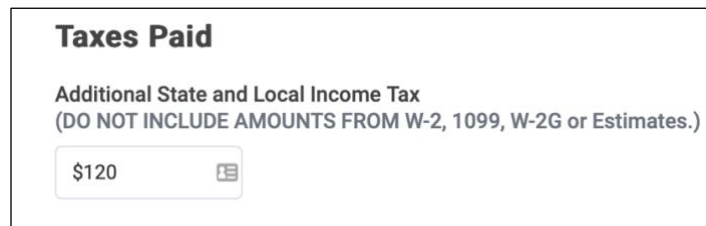
Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

\$120

Self-Employed Contributions

If a self-employed taxpayer opted to participate in Paid Leave Oregon in 2023, they will have made quarterly contributions to the program. These contributions were calculated using the rate set for employee contributions, 0.6% (in 2023) of their Oregon net self-employment income on their previous tax return. Since these payments are considered employee (not employer) contributions, they should be deducted on Schedule A, not Schedule C.

- In TaxSlayer, enter the amount paid under “Taxes You Paid” in the “Itemized Deductions” > “Additional State and Local Income Tax” box. This should carry the amount to federal Schedule A but not Schedule OR-A.



Taxes Paid

Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

\$120

Payments for Family or Safe Leave reported on Form 1099-G (fully taxable but employee contribution can be subtracted)

- Enter the amount shown MINUS the PFL shown in Box 14 of the taxpayer's W-2 into the 1099-G Box 1 (Unemployment Compensation) section in TaxSlayer. No itemized deduction or Oregon subtraction for PFL allowed. If PFL is not shown in Box 14 of the W-2, it can be calculated by multiplying the Wages in box 1 of the W2 by .006.

Payments for Medical Leave reported on Form 1099-MISC (40% is taxable as other income)

- Enter the payment and any withholding in TaxSlayer in the 1099-MISC section. Go to 1099-MISC. Enter the full amount of the benefit received in box 3, any federal taxes paid and OR Taxes paid in the form.
- To subtract the employee contributions by the 60% that they contributed, go to Other Income > Other Income Not Reported Elsewhere. Select "Other Income" from the drop-down menu and enter "1099-MISC Emp Cont PML OR" in the text box. Multiply the amount in box 3 of the 1099-MISC by 0.6 and enter the result as a negative number.
- Do not check the earned income box.

Other Income Description *

Other Income

Description of other income *

1099-MISC Emp Cont PML OR

Amount of other income *

-\$1800

☐ Earned Income

- This is how it will look on Schedule 1 of the printed return.

z	Other income. List type and amount: <u>SEE STATEMENT</u>	8z	1200	
9	Total other income. Add lines 8a through 8z			9

Description of Income	Amount
1099-MISC EMP CONT PML OR	-1800
OREGON EMPLOYMENT DEPARTMENT	3000
TOTALS	1200