

Jared Blanton

From: Jared Blanton
Sent: Monday, March 22, 2021 10:09 PM
To: Levy County Commission District 5
Cc: Danny J. Shipp; Wilbur Dean
Subject: Re: The Union That Just Could Not Get Enough...TAXATION! - A Heartwarming Story

Thanks much, sir.

Plain and simple, they're really much larger on wants than they are on brains. They want to just notch another "win", but are too stupid to realize that "win" will be less short term cash flow (which is all they care about - these are not people of delayed gratification, which is obvious by their lifestyle choices and various bondages), and they are butting up against a Constitutional separation that, in reality, they can do nothing about, anymore than they can force the Sheriff to provide them security for free. But they don't know that. They think we're a County Department and they'll trample us, too.

The injustice of this is that you have other employees who are not nearly so advantaged, and in greater danger, who complain much less, and get much less. I hate seeing bullies prosper. I hate it more when they start coming to our office calling shots. Katy Graves doesn't give orders in our office.

We want to please the Board as much as is possible, but this is a big workload increase, and it's being sought in a way that's pure extortion. And it's idiotic extortion.

The Chief should nip more of this in the bud in his own office, but when he spends as much time advocating for them as he does resisting their tomfoolery, they feel bulletproof.

And all of this revolves around a \$4,000 gift. It's like you have BLM and Antifa on the payroll.

On Mar 22, 2021, at 9:44 PM, Levy County Commission District 5 <district5@levycounty.org> wrote:

Yes it's much appreciated Jared and I tried explaining this very thing to Chief. A separate check with flat tax of 22% would be worse up front for a majority of their employees.

And.....While they are also staking their claim on what was apparently "discussed", the black and white fact is that a lump sum payment is to be made and no where does it state separate check. But do they want to just "win" is my question? It appears so because

they aren't trying to Benefit the entire unit of employees and only serving the few. And now they have dug their heels in on "interpreted discussions" and not the black and white that was agreed to and signed. My Lord someone help them understand what apparently we have all explained to them multiple times.

With Disgust,

Matt Brooks

Levy County Commissioner

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On Mar 22, 2021, at 9:28 PM, Danny J. Shipp <levyclerk@levyclerk.com> wrote:

Thank you Jared for solving everyone's problems on your time and saving tax payer's dollars without overtime. Everyone should work like you have and I'm sure the people we serve appreciate what we do.

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From: Jared Blanton <blanton-jared@levyclerk.com>

Sent: Monday, March 22, 2021 6:42:34 PM

To: Wilbur Dean <dean-wilbur@levycounty.org>; Levy County Commission District 1 <district1@levycounty.org>; Levy County Commission District 2 <district2@levycounty.org>; Levy County Commission District 3 <district3@levycounty.org>; Levy County Commission District 4 <district4@levycounty.org>; Levy County Commission District 5 <district5@levycounty.org>

Cc: Danny J. Shipp <levyclerk@levyclerk.com>; Chief Mitch Harrell <mharrell@levydps.com>; Anne Brown <annebrownlevy@bellsouth.net>; Jacqueline Martin <martin-jacqueline@levycounty.org>; Faith Southard <southard-faith@levyclerk.com>; levyfinanceDistro <levyfinance@levyclerk.com>

Subject: The Union That Just Could Not Get Enough...TAXATION! - A Heartwarming Story

Good evening,

Well, I'm just thrilled to share this news with you 5 fine Commissioners, because the IAFF Representation has once again outdone themselves with regard to asking for dumb things. I just wasn't picking the low hanging fruit, initially, because I got too wrapped up in the principle of it. Those principles are important and still hold weight. But not nearly as funny as this one.

So, no one has yet convinced us that the agreement as written (*intent* Mr. Helsby failed to have written in notwithstanding) requires a separate payout, nor that a Constitutional Officer has to take on additional duties based on a labor agreement, but after discussion with Chair Meeks wherein he, like Wilbur, politely asked for some help, I was nonetheless looking for a way for our office to figure out a compromise on perhaps frequency of payments or something to allow for us to pay these out in a limited, 2-3 shot occurrence between now and September. That would reduce the additional workload burden for our office somewhat. We were also discussing some Board action that would clarify the written terms to mean "separate", since that is somewhat contradicted by the black and white. This purely would have been for the Board's sake, not for the IAFF Rep's threats. I will say that, since much of that really resides under Faith's workload rather than mine, I hadn't quite sold Mr. Shipp on any of the routes for doing the checks, but we were discussing whether we could instead either request funding for the workload or stretch out the payment schedule as possibilities. The 30-day window on the payments in the agreement would be one of the problems.

But it may not matter after I explain this simple fact that I had previously forgotten about, or rather, disassociated with these pays because I'd forgotten how broad the terminology is:

The IRS requires all supplemental wages (such as this incentive) to be treated in one of two ways:

1. **Combined with regular wages** and taxed as one (**which is what we did** – we just used the "show separate, but tax as one" method below in 1.b.)
2. **Separated supplemental wages MUST BE TAXED AT 22%.** This is in addition to FICA and Medicare.

IRS PUBLICATION 15 (CIRCULAR E) States:

Supplemental wages combined with regular wages.

If you pay supplemental wages with regular wages but don't specify the amount of each, withhold federal income tax as if the total were a single payment for a regular payroll period.

Supplemental wages identified separately from regular wages.

If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the federal income tax withholding method depends partly on whether you withhold income tax from your employee's regular wages.

1. *If you withheld income tax from an employee's regular wages in the current or immediately preceding calendar year, you can use one of the following methods for the supplemental wages.*

a. Withhold a flat 22% (no other percentage allowed).

b. If the supplemental wages are paid concurrently with regular wages, add the supplemental wages to the concurrently paid regular wages and withhold federal income tax as if the total were a single payment for a regular payroll period. If there are no concurrently paid regular wages, add the supplemental wages to, alternatively, either the regular

wages paid or to be paid for the current payroll period or the regular wages paid for the preceding payroll period. Figure the income tax withholding as if the total of the regular wages and supplemental wages is a single payment. Subtract the tax already withheld or to be withheld from the regular wages. Withhold the remaining tax from the supplemental wages. If there were other payments of supplemental wages paid during the payroll period made before the current payment of supplemental wages, aggregate all the payments of supplemental wages paid during the payroll period with the regular wages paid during the payroll period, figure the tax on the total, subtract the tax already withheld from the regular wages and the previous supplemental wage payments, and withhold the remaining tax.

2. If you didn't withhold income tax from the employee's regular wages in the current or immediately preceding calendar year, use method 1b.

Regardless of the method you use to withhold income tax on supplemental wages, they're subject to social security, Medicare, and FUTA taxes."

This is not optional, but an IRS requirement. I recall that we had this once in Columbia County like 7 years ago and they thought they'd get a gross check for the flat amount with no taxes withheld, and I told them "well, that's illegal, so you can forget that." So then they wanted the check separate and then the question of rate came up, and well, the IRS gives you the rate if you separate the wages. I'd forgotten about that until trying one more time to think about a way that we could thread the needle because my mind didn't even let me get this far. My guy Rob here mentioned this rule to me the other day but I was in a rush so the lightbulb didn't go off until this afternoon.

[Publication 15 \(2021\), \(Circular E\), Employer's Tax Guide | Internal Revenue Service \(irs.gov\)](#)

[Publication 15-A \(2021\), Employer's Supplemental Tax Guide | Internal Revenue Service \(irs.gov\)](#)

[Internal Revenue Bulletin: 2008-24 | Internal Revenue Service \(irs.gov\)](#)

With the exception of 1 or 2 of your employees...probably 3 at most, that is actually HIGHER than the rate we would tax them by "LUMPING" them together. The \$98K employee I referred to last time is one exception, he paid at 23-ish%. So this would have made his check \$40 higher. But the \$90,731 guy only paid taxes at 20%. This would have cost him an additional \$80. It only gets worse from there going down – many employees would pay HUNDREDS more out of that check, if separate. The rate structure changes (DROPS) below \$86K – so what they're asking us, and you, to do, is actually going to result in them paying MORE taxes per check, with the exception of perhaps the highest paid 2-3 employees. So, if we separate these payments, here's what the net checks will look like as stand-alone:

\$1000 - \$76.50 FICA/Medicare - \$220 FWT(22%) = **\$703.50**

\$4000 - \$306 FICA/Medicare - \$880 FWT (22%) = **\$2814.00**

Whose interpretation do they like most, now? The vast majority will get less net pay if we separate checks, and many of them will get *significantly* less net pay if the checks are separate.

So, aside from the Constitutional wrangling, etc., what they are asking for is really dumb of them to ask. I've laughed out loud about the poetic justice of this: I'd like to give it to them, if it wasn't so much extra work.

Unfortunately making them pay more taxes doesn't help with our workload challenge that would still need to be overcome. As I've explained separately today to John and Wilbur, just because an agreement exists between the Board and the Union to provide employees with additional security, that doesn't mean the Sheriff, a separate Constitutional Officer (like the Clerk) would be obligated to increase his job duties for the sake of that union agreement. He would set certain limitations on what he'd provide, and he would request funding – and he wouldn't spring into action with security in place at the effective date. We are no different in authority in this respect, just in function. We have mostly cheerfully taken on additional workload without charge for the Water Utility revamp and also for the CARES ACT Small Business Relief program and made it work. But we're stretched. I'm in a slow time of year and have worked 30 hours off-clock the last 6 weeks. That's just me, and we rarely do OT for employees, but it's symptomatic of where we are as an office. But that will need to be overcome if the union...indeed...would like for us to TAX THEM MORE! LOL.

The silly thing about this is that, by year-end, it really has no impact on overall tax burden. Never would have. I've tried to explain that, but I'd forgotten that it will actually cause most of them to pay more up front. I assume the opposite of what they're thinking. Hilarious!

I have no authorization at this point to split payments because of the workload issue. We still would have some hurdles to clear to make that happen. We also have the discrepancy between the Master Agreement Section 27 and this MOA (black and white) versus what I've been told was the unwritten "intent". The latter we'd accept being overcome by the Board clarifying that by "Lump Sum Check" they mean a "Separate" check in a meeting. The workload issue is something I cannot answer yet without more consultation with Mr. Shipp. I think we're at an...impasse. If we did overcome this, quickly, then they're all gonna get their check taxed at a higher rate, except for maybe 1 more high paid employee left to be paid out.

Let us know if they want to think twice about that. Until we hear officially the agreement is void we will continue processing payments under the method of 1.b. above as outlined by the IRS, just as we did the first round. That requires no additional workload, and nearly all DPS employees will have less taxes withheld that way.

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