

# 2023

# YEAR-END GUIDE AND CHECKLIST



**PAYMEDIA**

This document contains important tax information that is needed to ensure the accuracy of your W-2s and other year-end returns.

Please read it carefully and keep it handy for your reference.

**Please return Year-End Questionnaire Form by 12/8/2023!**

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## Important: Deadline for Employers Filing W-2s and 1099s

The end of the year 2023 is fast approaching. This time of year is very busy and can be very stressful for everyone. We hope this year-end guide will be useful for you in preparing for the remainder of the year and overall readiness.

The Consolidated Appropriations Act of 2016 includes a provision requiring the accelerated W-2 and 1099 filing due date. Due to the increased incidents of tax fraud and identity theft, the IRS has moved forward with a provision to require employers to report W-2 and 1099 data to the Social Security Administration and IRS by January 31<sup>st</sup>. Employers should reference the SSA/IRS websites for questions regarding distribution to employees.

It's essential for businesses to be prepared as soon as possible in the months leading up to the due date. This means organizations must participate in advanced planning to ensure all documentation is submitted accurately and on time. We encourage you to begin planning now and **submit changes and year-end adjustments early**.

Please pay **close** attention to timelines and important cut-off dates in our Year-End Guide.

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## Client Processing Deadlines

### Standard Deadlines

Payrolls need to be submitted **at least two banking days in advance** of the check date.

- This allows sufficient time for payroll funding and employee direct deposits to be received and posted by the check date.
- **Due to strict banking rules, we will not make exceptions to the two-day rule.**
- **If you need to process one day before, you will be required to wire funds.**
- **Payrolls with \$100,000 or more in federal tax liability or total ACH debit of \$100,000 or more will also require a wire.**

## Year-End Deadlines

Any 2023 payrolls and adjustments must be complete before any 2024 payrolls can be processed. A few important points to remember:

### Bonuses and special payrolls:

- If you are paying bonuses or have any extra payrolls that need to be included in your 2023 W-2s, notify us by December 8, 2023.
- The special payroll must have a 2023 check date to be included on your 2023 W-2.
- Wiring of funds **may** be required.
  - BEST PRACTICE is to not wire funds unless you have heard from your Customer Support Representative to do so.

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## Payroll Adjustments

Complete all payroll adjustments (e.g., voided checks, corrections) before or with your last scheduled payroll with a check date of 2023.

Voiding checks/processing adjustments after a check date of 2024 has been processed requires us to “Re-Open” the year (see page 10 for applicable fees).

## Year-End Adjustment Cut-off Date

- **We encourage you to process adjustments well in advance of January 3, 2024.**
- For adjustments processed after December 31, 2023, please remember that tax agencies may consider tax payments late and you (the customer) will be responsible for penalties and interest that any agency may assess.
- Payroll adjustments must be processed by 5:00 pm ET on January 3, 2024.
- Payroll adjustments made after January 3, 2024, will result in a W-2C for employees as well as amendments; **fees will apply.**

## Fringe Benefits Adjustments

- In November/December, identify and schedule special payroll adjustments such as group-term life, auto allowances and other fringe benefits.
- As many of these fringe benefits require tax withholdings, they will need to be entered **at the same time as a regular payroll run before the end of the year.**
- **IMPORTANT:** If you have any new fringe benefits this year, please reach out to your CSR early to get the proper codes/taxation set up.

### Third Party Sick Pay

- In November/December, identify if you have Third Party Sick Pay information that must be reporting for 2023.
- Please contact your provider and request the information in advance of our cut-off dates. In many cases, the provider can provide you with the needed information you can include in your final regular payroll of 2023.

Reminder: Process year-end adjustments early. Do not wait until December – many items can be set up to populate throughout the entire calendar year.

### Important:

Payrolls processed in 2023 that have a **pay date of 2023** will show up as wages on the W-2! These wages will not be part of your 2024 Year to Date totals.



# Year-End Checklist

## Now through early December:

- Review processing deadlines and identify your last payroll **check date** of 2023.
- Review Paymedia's Holiday schedule and Federal Reserve Holidays for 2023 and 2024.
- Review payroll run schedule for 2024 and contact your CSR for any necessary changes.
- Return year-end questionnaire to your CSR by **December 8, 2023**.
- Confirm the delivery address for your W-2s. If you have changed mailing addresses, reach out to your CSR **BEFORE** your last payroll of 2023 processes to ensure proper delivery.
- Call your CSR with any year-end payroll questions so that there will be sufficient time to resolve any questions. Items that should be considered as being a priority include but are not limited to third party sick pay, taxability issues, HSA contributions, employee SSN updates, name changes, and employee address updates.

## Items you should do before your last scheduled payroll of 2023:

- Perform an audit of employee data related to social security number (SSN), name and mailing address and make any updates by **December 8, 2023**.
- Ensure any employee benefit plan state dates/status/hire dates are current.
- Include any fringe benefits to be reported on 2023 W-2s.
- Reach out to Third-Party Sick Pay providers and request information to be included, if available.
- Enter any additional, manual, and/or voided checks that need to be recorded in 2023.

## If NOT included in last regular payroll with 2023 date, request a special payroll with 2023 check date (if applicable):

- Third-party sick pay information should be processed by December 31, 2023. If you are unable to provide the necessary information in time, please indicate on year-end questionnaire. Fees will apply for amendments/adjustments after the deadline.
- Process any Bonus and Fringe Benefits amounts to be included in 2023 W2.
- Enter any missed additional, manual, and/or voided checks that need to be recorded in 2023. If entering manual checks/voids contact your CSR to make sure it's recorded in 2023.

## ACA Audit – Beat the Rush!

Preview your ACA forms now while you are not in the middle of the holiday season – customers who preview now are able to easily identify any coding errors and receive quick response on questions by getting ahead of the 'busy' season. **Do not 'approve' forms before January 1, 2024.**

**If your state requires form distribution by January 31, 2024, please review and approve ACA forms by January 17, 2024. See pages 11-12 from more information.**

## Holidays

<b>Paymedia Holiday Schedule</b>	
<b>Holiday</b>	<b>Date Observed</b>
New Year's Day (Observed)	1/1/2024
Martin Luther King, Jr. Day	1/15/2024
President's Day	2/19/2024
Memorial Day	5/27/2024
Independence Day (Observed)	7/4/2024
Labor Day	9/2/2024
Columbus Day	10/14/2024
Thanksgiving	11/28/2024
Thanksgiving Friday	11/29/2024
Christmas Day	12/25/2024
New Year's Day	01/01/2025

<b>Federal Reserve Holiday Schedule</b>	
<b>Holiday</b>	<b>Date Observed</b>
New Year's Day (Observed)	1/1/2024
Martin Luther King, Jr. Day	1/15/2024
President's Day	2/19/2024
Memorial Day	5/27/2024
Juneteenth	6/19/2024
Independence Day	7/4/2024
Labor Day	9/2/2024
Columbus Day	10/14/2024
Veterans Day (Observed)	11/11/2024
Thanksgiving	11/28/2024
Christmas Day	12/25/2024
New Year's Day	01/01/2025



# Year-End Maintenance Details

## Audit Tools

Employee W-2 information must be correct as the IRS may charge a penalty for filing W-2 forms with incorrect information. We strongly encourage you to start auditing your employer records now – before the busy holiday season!

- **Please verify Social Security Number, name, and address** for each employee (the **name** and **number must be exactly** as it appears on the employee's Social Security card). Social Security numbers that are flagged as being invalid will appear on all documents as 000-00-000. This is the employer's responsibility to correct prior to year-end.
- For your convenience, please use the following report for verification purposes: Employee W-2 verification Report. **Reports > Client Reports > Employee W-2 Verification > Generate Report > Go to My Reports Queue.**  
**\*\* Please note: For those clients who do not access their reports on-line, the Employee W-2 Verification Report was included with your first payroll processed after November 1, 2023.**
- Any updates to name, Social Security Numbers or addresses should be made **immediately** and no later than December 8, 2023. Access your employee records and make corrections in Paymedia as follows: **Employee Management > Employee Maintenance > General.**  
**\*\* Please contact your CSR if you do not have on-line access for any changes, you need made.**

## W-4 Forms

The Isolved system will not automatically begin any 'new' withholding or any withholding if a W-4 has not been completed in the system. We suggest that the employer send a reminder to their employees about submitting a new W-4 for 2024. Employees who are currently claiming **to be exempt** from withholding must submit a new form W-4 by February 15, 2024, to maintain that status. If the employee's exempt status changes, a new W-4 **must** be completed in the system to calculate and deduct the taxes appropriately. Also, any employees who have experienced a life event may need to submit a new W-4 due to the change in number of exemptions.

## Reporting of Employer-Sponsored Health Coverage

The Affordable Care Act (ACA) provides that employer must report the cost of employer-provided health care coverage on Forms W-2.

- **Reporting is mandatory for employers that file 250 or more Forms W-2 during the prior calendar year.**
- The amount reported should include both the portion paid by the employer and the portion paid by the employee for the benefit coverage.
- **Please check the appropriate box on the Year-End Questionnaire and return by December 8, 2023.**
- **It is your responsibility to preview your W-2s and verify the amounts in Box 12 Code DD prior to printing W-2s. Review W-2s prior to December 8th and contact your CSR for changes that you need made. Additional fees will be charged if you fail to report changes that result in reprinting of W-2s.**

## FUTA Credit Reduction

Some states take Federal Unemployment loans if they lack the funds to pay unemployment benefits for state residents. If a state has outstanding loans with the federal government, the FUTA credit rate for employers in that state will be reduced until the loan is repaid.

The result of being an employer in a credit reduction state is a higher tax due on the Form 940. This higher tax is considered to be incurred in the 4th quarter. Therefore, your company will owe additional federal unemployment taxes that will need to be impounded. This tax is often calculated and impounded on a December payroll. Future communication will include details regarding the FUTA credit reduction calculators.



## Year-End Related Fees

PAYMEDIA YEAR END FEES	
Service	Fees
W-2/1099 processing base charge	\$59.00
W-2/1099 charge (Each)	\$8.49
W-2/1099 shipping fees (Per Location)	\$15.00
Reopen previous year payroll	\$300.00
Reopen previous year payroll after a payroll has been processed in 2024	\$500.00
Duplicate W-2 (Each)	\$10.00
W-2 Reprint – Change to data: Name, Address, SSN <i>(On or by January 3rd)</i>	\$25.00
W-2 Reprint – Change to figures <i>(On or by January 3rd)</i>	\$75.00
W-2 Reprint – Change to data: Name, Address, SSN <i>(After January 3rd)</i>	\$50.00
W-2 Reprint – Change to data: figures <i>(After January 3rd)</i>	\$150.00
Amended Quarterly Return per form	\$125.00
Billing for all year-end charges will occur with your payroll processed on or after January 8, 2024.	

## Additional Resources

Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>
Social Security Administration	<a href="http://www.ssa.gov">www.ssa.gov</a>
Bureau of Labor and Statistics	<a href="http://www.bls.gov">www.bls.gov</a>
State Agencies	<a href="http://www.taxsites.com">www.taxsites.com</a>
State Unemployment	<a href="http://workforcesecurity.doleta.gov/unemploy/agencies.asp">http://workforcesecurity.doleta.gov/unemploy/agencies.asp</a>
American Payroll Association	<a href="http://www.americanpayroll.org">www.americanpayroll.org</a>

# Tax Rate Change Notifications

## IRS and State Notifications for 2024

Unemployment rates and tax filing frequencies are mailed to the taxpayer not to Paymedia – it is imperative these tax-related communications are forwarded to Paymedia immediately. We require this information in order to ensure your taxes are paid accurately and timely in 2024.

- Please note: **Late tax payments result in interest and penalty charges.** If your federal or state tax filing frequency filing method, and/or tax rate is changed and you don't notify Paymedia, we will not be responsible for any penalties or interest that may be charged.

## Tax Forms

### W-2 Forms

With the understanding that all Year-End processing deadlines have been met and you have reported all necessary information, W-2s will be delivered by January 31, 2024 for distribution. **We will be printing and shipping all W-2 forms to the year-end address on file. If you are unsure of the address Paymedia has on file to ship your package to, contact your customer support representative to verify your year-end shipping address.**

### 1099-NEC

You are also responsible to report all 1099-NEC compensation **before** processing your final payroll of 2023. The same deadlines apply for 1099 compensation as W-2 mentioned throughout this guide. We will file 1099s with the Federal Government if the Legal Service has been turned on before December 31, 2023. Please fill out the attached Year-End Questionnaire if you are requesting Paymedia to print 1099 forms for 2023. This must be returned no later than **December 8, 2023.**

### Online Form Availability

W-2s, 1099s-NECs and approved ACA forms will be available for viewing and printing in Isolved effective February 1, 2024.

# ACA Reporting for 2023

Employers are subject to the Affordable Care Act (ACA) filing if you meet either of the following criteria:

- If you averaged at least 50 full-time employees (including full-time equivalent employees) during the prior calendar year, you are considered an Applicable Large Employer (ALE). The IRS has defined a specific formula for this and there is a report available in the system to assist in this calculation.
- If you offer Self-funded medical insurance, regardless of the size of your company. If you are unsure if this applies to you, please check with your broker or insurance provider.

Under the Affordable Care Act's employer shared responsibility provisions, applicable large employers (ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their dependents), or potentially make an employer shared responsibility payment to the IRS.

## ACA Year-End Preparation

Please confirm that your ACA reporting year is set up in Isolved for 2023. Employers should already be compiling and analyzing data now to determine offers of coverage and affordability. We recommend you review our ACA articles available in the Isolved University. In addition, look for the annual Year-End ACA Reporting Guide to the Quick Links section in Isolved sometime in December 2023. This guide will help you familiarize yourself with the necessary steps needed to ensure a smooth ACA reporting process.

For assistance with ACA Year-End Preparation: <https://learning.myisolved.com/library/articles?search=aca> or navigate to Library> Articles, type 'ACA' in the search bar.

## ACA Year End Requirements

Employers are responsible for two important components of ACA Year End requirements: Furnishing and Filing. You will need to **furnish** individual 1095 forms to all employees who were full-time during 2023. These forms will contain information about when/if coverage was offered, whether the offered coverage was affordable (based on the IRS guidelines), and if self-funded, which employees and dependents were covered throughout the year. Depending on their state requirements, employees may need this form to provide proof of coverage for tax year 2023.

Paymedia will electronically **file** your 1094 & 1095 forms to the IRS **only after your ACA Forms have been approved in the system. Printing of forms only occurs after approval.**

## Employer Responsibility

It is the employer's responsibility to carefully review, make any necessary corrections, override portions of the forms that cannot be automated, and approve your ACA forms by the February 5<sup>th</sup> deadline. If you do not approve your forms by February 5<sup>th</sup> – we cannot guarantee delivery or filing to meet the IRS deadline. See important Deadlines for Reporting below for state specific deadlines. Additional fees will apply for late approvals. Should you have any questions, please reach out to your customer support team for assistance.

Unless other arrangements are made, Paymedia will send all 1095's to the primary address of your company. You will be responsible for handing out or postmarking the forms for mailing no later than January 31, 2024, for the previous calendar year of 2023.

**Note: It is the responsibility of the employer to ensure 1094 and 1095 information is accurate and up to date. Should the files reject or come back as "Accepted with Errors", fees will apply for sending additional corrected files to the IRS.**

## Important Deadlines for Reporting

<b>Start Approving Forms</b>	<b>1/1/2024</b>
Paymedia deadline for forms approval If your state requires form distribution by 1/31/2024	1/17/2024
<b>Paymedia deadline for forms approval to guarantee form delivery prior to 3/1/2024</b>	<b>2/5/2024</b>
IRS deadline for electronic ACA file submission	4/1/2024

## ACA-Related Fees

Service	Fees
1095 processing base charge	\$59.00
1095 per charge	\$8.49
1095 shipping fees	\$15.00
Duplicate 1095	\$10.00 each
Printing a corrected 1095	\$25.00 each
Rejected File Replacement & Submission	\$75.00
Correction file & Submission	\$75.00

Billing for ACA charges will occur with the first check date in February 2024.

## Additional ACA Resources

IRS Q&A: [www.irs.gov/Affordable-Care-Act](http://www.irs.gov/Affordable-Care-Act)

# Year-End Questionnaire

## Return by December 8, 2023

Company ID \_\_\_\_\_ Company Name: \_\_\_\_\_

**Important Reminder: Last day to report adjustments is January 3, 2024.  
Any adjustment made after January 3, 2024, will become a W-2-C!**

For Adjustments processed after December 31, 2023, please remember that tax agencies may consider tax payments late and you (the customer) will be responsible for penalties and interest that any agency may assess. Payroll adjustments must be processed by 4:00 ET pm on January 3, 2024.

**Print the cost of employer provided health care in Box 12DD of W-2s**      Yes \_\_\_\_\_ No \_\_\_\_\_  
**Reporting is mandatory for employers that file 250 or more forms W-2 in year 2023!**

Yes, our company has reviewed and made all necessary changes for our W-2's and we do not have any additional Fringe Benefits/Adjustments that need to be reported. Please print our W-2's once our final payroll is completed in 2023.  
(If W-2s have been printed and you need to make changes, additional fees will apply.)

Use this list to help identify any Fringe Benefits that need to be reported on W-2 Forms and that you will need to process through payroll. Please return the questionnaire by **December 8, 2023**. Remember, some of these adjustments require tax withholding and may need to be entered at the same time as a normal payroll run before the end of the year.

- |                                                                        |           |          |
|------------------------------------------------------------------------|-----------|----------|
| 1. Group life insurance in excess of \$50,000                          | Yes _____ | No _____ |
| 2. Personal use of company auto                                        | Yes _____ | No _____ |
| 3. S Corp health insurance premiums paid for more than 2% shareholders | Yes _____ | No _____ |
| 4. Awards, prizes, gifts, stock options                                | Yes _____ | No _____ |
| 5. Employer HSA, HRA or other medical savings contributions            | Yes _____ | No _____ |
| 6. Third party sick pay                                                | Yes _____ | No _____ |

Third-Party Sick Pay: Please contact your provider and request the information in advance of our Year-End Adjustment Cut-Off dates to avoid a delay in W-2 printing! If you do not expect to receive Third-Party Sick Pay information by your last payroll in 2023, please contact your CSR. Additional fees will apply for late processing. Remember, last day to report adjustments is January 3, 2022. Any adjustments made after January 3, 2024, will become a W-2c and will be subject to additional fees!

1099 Form Request: If you would like Paymedia to print and file 1099 Forms, please indicate below:

\*1099 Wages below \$600.00 will not produce a 1099 form as they are not required to be reported per federal guidelines.

\_\_\_\_\_ Yes, I would like Paymedia to print 1099 Forms for 2023. – I understand billing fees apply

Please provide your delivery address for year-end forms (No PO Boxes):

Address 1: \_\_\_\_\_

Address 2 : \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

\_\_\_\_\_  
Authorized Contact (Print)

\_\_\_\_\_  
Authorized Contact (Signature)

\_\_\_\_\_  
Date

**After completing, please email or fax to your CSR by December 8, 2023.**