



Year-End Checklist

Please be sure the following items are completed prior to your final 2019 payroll.

- The following information has been verified and submitted using the Employee W-2 Verification Report:
 - Social Security Numbers
 - Legal employee names
 - Current legal addresses

- You have verified your tax identification numbers and communicated your filing responsibilities with your customer service representative.

- The federal government requires Box 13 on Form W-2 to be marked for each active and/or eligible participant of a retirement plan for any part of the calendar year. This will be done automatically if you have employees with year-to-date deferred compensation amounts in our system.
 - Consult your accountant or tax advisor if you have pension plans other than those reported in our payroll system, or if you need assistance in determining your pension plan's reporting requirements under federal government regulations. If it is determined that the pension box needs to be checked on Form W-2, please submit a list of the affected employees to your Customer Service Representative.

- All adjustments for 2019 have been applied or an adjustment payroll has been scheduled.
 - This includes additional items such as but not limited to:
 - Allocated tips
 - Dependent Care
 - Group Term Life Insurance
 - Qualified pension and retirement plans
 - Moving expenses
 - Third party sick pay
 - Taxable fringe benefits
 - Personal Use of Company Car
 - S Corp Health
 - Pension Plan
 - Employer HSA contributions

- All terminated employees have been classified as such so they will be removed from your call sheets for the New Year.

- All employees have their birth date correctly entered in the employee maintenance screen. **This is especially important for clients with a 401(k) or SIMPLE IRA plan in force.**



- Federal regulations require employers who filed 250 or more Forms W-2 for the prior tax year to report the total aggregate cost of certain types of health care coverage. The reporting is informational only and must be reported as a single item in Box 12 on the W-2, labeled with code “DD”. Please report this amount to your Customer Service Representative so that it can be properly reported on Form W-2. Certain employers are not subject to this new reporting, including Indian tribal governments and small employers– defined as fewer than 250 Forms W-2 in the prior tax year.

- Medicare Tax Rate for Higher-Income Taxpayers: Higher-income taxpayers will pay an additional Hospital Insurance (HI) tax rate of .9% on income that exceeds certain thresholds. Income greater than \$250,000 for married couples filing jointly, \$125,000 for married couples filing separately, and \$200,000 for single, head of household with qualifying child, and qualified widow(er) with a dependent child will pay the higher rate. As standard in our industry, our system begins calculating the additional Medicare tax once an individual employee has earned \$200,000.00 in taxable Medicare wages. Employees generally pay Medicare at a rate of 1.45% on all wages which is matched by the employer. The employer will not be required to match the additional rate of .9% that will be withheld from the higher-income employees. The additional HI tax withheld will be reported on the W-2 in Box 6 and the IRS will modify Form 941 to report the excess wages. For more information on this topic, the IRS has released an article “Questions and Answers for the Additional Medicare Tax” in a question and answer format to help employees, employers, and payroll service providers comply with the health care mandate. This article can be found on the IRS website: <http://www.irs.gov/>. Once you get there, search for Questions and Answers for the Additional Medicare.

The following items should be completed with your first payroll of 2020

- Updates to employee deductions such as medical, dental, 401(k), etc.
- Updates to “allowed and taken” accruable hours (vacation, sick or personal hours).
- Deactivate any 401(k) catch-up contributions. If you have any employees that are set up with the 401(k) catch-up deduction, both the regular and catch-up deductions may come out on the first payroll of 2019 unless you request a change.
- Send deposit frequency notice you may receive from the IRS for 2020 tax deposits.
- Send 2020 Unemployment rate notices you will receive from your state(s)



W-2 And 1099 Filing Deadlines

As a reminder, tax filing deadlines for 2019 W-2s and 1099's is January 31, 2020 for employers.

The deadline for employees to file with Internal Revenue Service is April 15, 2020.

Let Associated HCM assist you with all your compliance needs!

ARE YOU ACA COMPLIANT?

Under the Affordable Care Act, employers that have 50 or more full-time/full-time equivalent employees are required to provide affordable healthcare options. As the end of 2019 quickly approaches, all employers should ensure ACA reporting is completed.

- *Are all full-time employees, working on average of 30 hours per week, offered health insurance?*
- *Have you completed reporting for months of coverage with your ACA representative?*
- *Are EIN's for companies with common ownership recorded for 1094B/C forms?*
- *Review if any employee came out of the measurement period and is now determined as full-time.*

Deadlines for reporting:

1/31/2020: Forms 1095B and 1095C due to employees.

3/31/2020: Forms 1095B/1095C and 1094B/1095C due to IRS (if filing electronically).

Multi-State Unemployment Tax Compliance

If you are a multi-state employer, are you aware of the DOL (Department of Labor) guidelines for determining the jurisdictions to which you must remit SUI (State Unemployment Insurance)? Because, if you're not, you could be paying too much!

There are 4 factors in successive order that apply which include where services are localized, base of operations, direction and control, and residence to determine the single jurisdiction to which an employer must remit SUI. When an employer misapplies the four factors, the result may well in fact produce a significant overpayment of the required SUI liability. Let us help you determine where your employees should be taxed. Please contact your customer service representative if you have any questions.

For CPA's:

Be sure you have access to all of your client's accounts, reports, and tax returns. With Associated HCM, you will have a single-sign on log in with access to all of your clients. Be sure to have your clients sign the 3rd party authorization form included in this packet, and have them send it to their customer service representative for setup