



IMPORTANT YEAR-END REMINDERS/INFORMATION

Employee W-2's provide Federal and state government information about gross wages paid and taxes withheld. Important additional information, if it applies, should also appear on employee W-2's. **Please review this letter for items that pertain to your business/organization, and return the appropriate forms/information to AccuPay prior to December 15, 2016 or your last payroll of 2016 – whichever comes first.** (Any additional forms needed may be downloaded at www.accupay.com.) ***Additional fees WILL be charged for adjustments needed after your last payroll of 2016.**

- **Personal Use of Company Vehicle** - Please return the “personal use of company vehicle” questionnaire for every employee who was provided use of an employer-vehicle during 2016 (forms available online);
- **Employer Paid Health Insurance** - If you issued at least 250 W-2's for 2015, and pay a portion of your employees' health insurance, please provide us with the total amounts of health insurance premiums paid by employee for 2016 (We need the combined premiums paid by both the employer and employee.);
- **Third-Party Sick Pay** - Please provide us with amounts of sickness or injury (disability) payments paid to your employees by third party agents (i.e. insurance companies) during 2016 (Your insurance company should provide you with statements that may be forwarded to AccuPay for processing.) Please only send amounts that have not already been processed by AccuPay throughout the year;
- **HSA Contributions** - Please provide us with the 2016 amounts of Health Saving Account (HSA) contributions **you paid** to your employee HSA accounts which were **not processed through payroll**. (AccuPay will have any pre-tax employee contributions in your payroll records.);
- **Group-Term Life Insurance** - Please provide us with year 2016 group-term life insurance coverage data for employees with policy values over \$50,000 (**Complete Form A – attached**);
- **S-Corp 2% Shareholder Health Insurance** - If you are an “S” corporation, please provide us with amounts of health and long-term care insurance premiums paid in 2016 on behalf of 2%-or-more shareholder employees. (**Complete Form B - attached**);
- **Retirement Plan Information** - Please provide us with retirement plan information for years 2016 and 2017. (**Complete Form C - attached**).

AccuPay will provide you with a **W-2 Verification Report** either in your payroll packet or electronically. **Please review carefully and let us know of any changes/updates by December 15, 2016 or your last payroll of the year – whichever comes first.** Also, **if you plan to do a bonus or holiday pay run, please schedule two weeks in advance** with your processor to ensure we can meet your deadline.

As a reminder, AccuPay does provide ACA reporting services for employers with 50 or more full-time equivalent employees. Contact Amy Hartwell at amy@accupay.com or 317-885-7600 for more information.

A smooth year-end is a “team” effort between AccuPay and your company. As always, we appreciate you as a client and thank you in advance for your assistance! Please call any of our CPP's or CPA's at 317-885-7600 if you have questions as you compile this information.

Happy Holidays!

AccuPay, Inc.



✓one login. ✓unlimited possibilities.

For mid to large-sized employers looking for a more complete online application, **AccuPay now offers a single sign-on, workforce management solution called AccuPay ONE.** Use the payroll, time/labor management, HR or ACA modules alone or as a suite. This robust system includes a mobile app, advanced employee self-service options, applicant tracking, advanced timekeeping/labor costing and much more - **all you need to manage your employees from hire to retire! Click the YouTube icon on our website to see a demo or contact:**

Vickie Foltz,
Payroll/HR System
Consultant and Trainer

317-885-7600
vickie@accupay.com
www.accupay.com

DID YOU KNOW?

Did you know that in addition to payroll, AccuPay offers the following services?

ONLINE PAYROLL AND REPORTING

Do payroll anytime from wherever you are with our **easy online payroll system, Online Employer.** Easily enter/edit employee information. Enter your payroll hours on our simple online pay grid, or import time from our AccuClock timekeeping system. The system also includes the ability to **create hundreds of payroll and employee reports that export directly to Excel or pdf.** Online Employer is a **FREE option** to all of our clients.

ACCUPAY HR - HUMAN RESOURCE SOLUTIONS

AccuPay HR offers the tools and resources you need to navigate the complex issues of Human Resource with consulting and technology options. Choose a block of time with our HR professionals, Betsy Wilson, PHR and Laura Buchanan, PHR, or subscribe to our HR Answerlink online resource center for a low monthly fee. For more information, contact Betsy or Laura at 317-885-7600.

EMPLOYEE SELF-SERVICE OR CHECK STUB E-DELIVERY

Choose Employee Self-Service (featuring a mobile app) to allow employees to log in securely online to **view check stubs and W-2's**, or elect to have check stubs delivered via secure email link.

TIMEKEEPING AND ATTENDANCE SOLUTIONS

AccuPay offers a **full line of time and attendance products** - from basic web clocks to sophisticated biometric time clocks. Our user-friendly online applications make editing, reporting (including ACA hours reports), and tracking employee time and attendance simple. All of our clocks are compatible with **our online payroll applications**, eliminating the need for excessive data entry.

QUICKBOOKS WEB GL EXPORT

Let AccuPay's QuickBooks experts **map your payroll to your QuickBooks General Ledger** for a seamless import. Simply retrieve the iif file from our website, upload it into QuickBooks after each payroll, and you're done!

ACA REPORTING/TRACKING SERVICES

Our professional team, including two Healthcare Reform Specialists, will assist you in determining your responsibilities for the Affordable Care Act. If you are required to report, AccuPay's ACA Comply system will take your payroll and benefits data and populate the required forms, send them to your employees, and file them with the IRS. The online dashboard will help you track your full-time employees throughout the year. Contact Amy Hartwell for more information at 317-885-7600 or email amy@accupay.com



Contact your processor at 317-885-7600 for more information or visit our website at www.accupay.com

**Taxable Amount of Group-Term Life Insurance Coverage
To Include in Employee's Income For 2016
(Not applicable to 2% or more "S" corporation shareholder-employees)**

Employee Name _____

Employee's Age as of 12/31/16 (or date of birth) _____

- | | | |
|---|--|-----------------|
| 1. Life insurance coverage amount provided to employee during 2016 | | \$ _____ |
| 2. Less nontaxable coverage | | _____ (50,000) |
| 3. Taxable coverage (if zero or less, STOP - no taxable income to employee) | | \$ _____ |
| 4. Divide Line 3 by \$1,000 to the nearest tenth of \$1,000 (i.e., \$75,250 rounds to 75.3) | | _____ |
| 5. Cost per \$1,000 of coverage for 1 month (See IRS table below based on employee's age at 12/31/16) | | \$ _____ |
| 6. Multiply Line 4 x Line 5 to determine monthly cost of excess coverage over \$50,000 | | \$ _____ |
| 7. Number of months the employee had this level of coverage in 2016 | | _____ |
| 8. Year 2016 cost of excess coverage over \$50,000 - multiply Line 6 x Line 7 | | _____ |
| 9. Less amount employee paid for coverage with after-tax dollars | | (_____) |
| 10. Taxable cost of excess group-term life insurance coverage in 2016 – Line 8 Less Line 9 | | \$ _____ * |

*This amount is taxable income to the employee on Form W-2 and is subject to FICA and Medicare taxes (both employee withholding and the employer match). No income tax withholding is required. Additionally, this amount is not subject to federal or state unemployment taxes.

| 5-Year Age Bracket | Cost per \$1,000 for One Month |
|--------------------|--------------------------------|
| Under 25 | \$0.05 |
| 25-29 | .06 |
| 30-34 | .08 |
| 35-39 | .09 |
| 40-44 | .10 |
| 45-49 | .15 |
| 50-54 | .23 |
| 55-59 | .43 |
| 60-64 | .66 |
| 65-69 | 1.27 |
| 70 and above | 2.06 |

Important Note - Please provide us this information before your last payroll of 2016 so we can withhold the appropriate taxes for this year.

**“S” Corporation Employers
Issues Affecting Your 2% or More Shareholder-Employees for 2016**

An “S” corporation’s cost of health or long-term care insurance premiums paid on behalf of its 2% or more shareholder-employees is treated as Form W-2 taxable income to the 2% or more shareholder-employees (Note - it’s tax-deductible as compensation to the “S” corporation). Recent IRS announcements require that the “S” corporation either directly pay the insurance premiums or reimburse the shareholder-employee for personally paid premiums, in order to save income taxes by deducting the health insurance premiums. The insurance amounts will be “W-2 reported” as wages subject to income tax but not subject to FICA/Medicare taxes.

If your Company provided health or long-term care insurance coverage to employees who also owned 2% or more of your stock in 2016, please complete the following information and submit it to us as soon as possible for payroll processing:

| Name of 2% or More Shareholder-Employee | “S” Corporation Insurance Premiums Paid During 2016 | |
|---|---|-----------------------------------|
| | Health, Dental, Vision, Medicare Insurance Premiums | Long-Term Care Insurance Premiums |
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Important Note - Please provide us this information BEFORE your last payroll of 2016 so we can prepare accurate shareholder-employee W-2 forms. *Additional fees will be applied if information is provided after 12/30/2016.**

ADVISORY NOTE: Make sure all 2016 health insurance premiums (including Medicare premiums paid from social security benefits) are paid/reimbursed by 12/31/16.

**Employer Retirement Plan Information
For Calendar Year 2016**

Planning For 2017 Funding By Employees

Form W-2 requires that we check certain boxes to identify which of your employees were “active participants” in retirement plans during 2016. “Active participation” implies that an employee received an economic benefit (contributions, plan allocations, etc.) from a retirement plan during 2016. **Accurate presentation of this information is important since it affects your employees’ eligibility for tax-deductible IRA’s on their 2016 personal income tax returns. Review your 2016 W-2 Verification Report to see if employees are classified correctly and notify AccuPay of any changes.**

Please check all of the following types of retirement plans you sponsored during 2016 which included employer contributions for the benefit of employees:

- Defined benefit or cash balance pension plan with calculations made by an actuary;
- SEP-IRA plan;
- Profit-Sharing plan;
- Money Purchase Pension Plan;
- SIMPLE plan which involved employer contributions;
- SARSEP plan which involved employer contributions;
- 401(K) plan which involved employer contributions;
- 403(b) plan which involved employer contributions.

NOTE - Provide us a listing of all employees for whom your company made 2017 employer contributions or who otherwise benefited from a retirement plan during 2017 (i.e., perhaps their only benefit was an allocation of 2017 retirement plan income). We will check boxes for only those employees who “actively participated” in retirement plans during 2017.

**IMPORTANT!
PLANNING FOR 2017 FUNDING BY EMPLOYEES**

Please let us know which employees you want us to calculate and withhold the maximum 2017 retirement plan funding for any of the following plans:

| Type of Plan | MAXIMUM 2017 EMPLOYEE FUNDING | |
|------------------------------------|-------------------------------|----------------------------|
| | Under Age 50 | At Least 50 by 12/31/17 |
| 401(k) and 403(b) retirement plans | \$ 18,000 | \$ 24,000 |
| SIMPLE-IRA retirement plan | \$ 12,500 | \$ 15,500 |