IMPORTANT YEAR END 2024 REMINDERS/INFORMATION

Take advantage of a simplified year-end process by opting out of receiving printed copies! ***Contact your Payroll Specialist to go paperless!***

The end of 2024 is fast approaching. This time of the 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 for W-2s. **Please read this guide in its entirety to ensure you are aware of all deadlines and required responses.**

Important: Deadline for Employers Filing W2s and 1099s

W-2 and 1099 data is due to the Social Security Administration and IRS by January 31, 2025.

It is essential for businesses to be prepared as soon as possible in the months leading up to the due date. This means organizations will have to participate in advanced planning to ensure all documentation is submitted accurately and on time. We encourage human resources and payroll teams to begin planning now and **submit changes and year-end adjustments early**. Please pay close attention to timelines and important cut-off dates in this Year-End Guide.

CLIENT PROCESSING DEADLINES

Year End Deadlines

- **Holiday Week Processing** - AccuPay's holiday hours are included in this guide. Please note that processing deadlines will vary during holiday weeks. Next-business-day payroll submissions made after 9:00 a.m. EST cannot be guaranteed for direct deposit. Please send payroll data as early as possible on holiday weeks.
- **Bonuses and extra payrolls. If you are paying bonuses or have any extra payrolls that need to be included in your 2024 W-2s, notify us by December 2, 2024 OR a minimum of two-weeks before the check date.** Please plan to submit bonus payroll information to your processor a minimum of three days before the check date since these payrolls must be worked into the regularly scheduled runs.
- **Payroll Adjustments.** Make sure payroll adjustments (e.g., voided checks, manual checks) are done **before** your last payroll of 2024 is processed. **Voiding checks/processing adjustments after the first check date of 2025 will incur additional fees.**

- **Year-End Adjustment Cut-off Date:** For adjustments processed after December 30, 2024, please remember that tax agencies may consider tax payments late and you (the employer) will be responsible for penalties and interest that any agency may assess. In addition to these penalties, any adjustments made after January 10, 2025 will result in W2c's for employees and additional processing fees will apply. Amended tax returns and year-end forms will not be processed until all original client returns have been completed. **We encourage you to process adjustments well in advance of January 10, 2025. Adjustments that require an extra payroll run will incur additional fees regardless of when they are processed.**
- **Fringe Benefit adjustments.** Identify and schedule special payroll adjustments such as group term life, auto allowances and other fringe benefits. Because some of these fringe benefits require tax withholdings, they will need to be entered at the same time as a normal payroll run before the end of the year. (See applicable forms in this document.)

Reminder: Process year-end adjustments early. Do not wait until January!

Important: *Payrolls processed in 2024 that have a **pay date of 2025** will show up as wages on the 2025 W-2! These wages will NOT be part of your 2024 YTD totals.*

Dates to Remember for Year-End:

November: **28- Thanksgiving - Offices Closed**
29- Day After Thanksgiving - Offices Closed
December: **02 – Year-End Questionnaire Due to AccuPay**
24 – Christmas Observed – Offices Closed
25 – Christmas Observed – Offices Closed
27- Last Day for 2024 Regular 2-Day Processing
January: **01- New Year's Day Observed – Offices Closed**
10- Last day to process payroll adjustments for 2024
17 - First Day to Approve ACA Forms for 2024
26- Last day to approve ACA Forms with guaranteed delivery and filing to meet the Federal & select states deadline. (Forms due to employees March 3, 2025)

Year End Checklist

- ☐ Review Processing Deadlines and identify your last payroll(s) of 2024.
- ☐ Review AccuPay Holiday schedule and Federal Reserve Holidays for 2024 and 2025.
- ☐ Review payroll calendar schedule for 2025 and contact your Payroll Specialist for any necessary changes.
- ☐ Perform an audit of employee data related to SSN, name and mailing address and make any updates in the system or forward to your Payroll Specialist by December 2, 2024.
- ☐ 1099 Printing - AccuPay will not print 1099 forms for contractors in payroll unless you return the year-end questionnaire to your Payroll Specialist by December 2, 2024.
- ☐ Return year-end questionnaire to your Payroll Specialist if any year-end adjustments are needed such as group term life, personal use of company car, 3rd party sick pay, etc., by December 2, 2024.
- ☐ 3rd Party Sick Pay information should be processed by December 30, 2024. If you won't receive the necessary information in time, please indicate this on year-end questionnaire. This will not excuse any fees or change deadlines. We recommend contacting your insurance provider to request the information by December 30, 2024.
- ☐ Notify your Payroll Specialist of any end of the year payroll such as Bonus and Fringe Benefits by December 2, 2024 if you want them to apply to 2024.
- ☐ Enter or notify your Payroll Specialist of any additional manual checks and/or voided checks that need to be recorded in 2024, prior to December 2, 2024. If you enter additional manual checks/or voids after this date, (especially after processing your last payroll for the year), please contact your payroll specialist to ensure they are processed prior to W2 printing.
- ☐ Call your Payroll Specialist with any questions regarding year-end processing well in advance of December 2, 2024, so that there will be sufficient time to address and resolve any outstanding issues.
- ☐ Determine whether you will "opt in" to paperless year end reporting and complete the enclosed form. Return to your Payroll Specialist by December 2, 2024.
- ☐ We are here to help! Do not hesitate to reach out to your Payroll Specialist if you have any questions about year-end processing.

Holiday Schedule

2024 and 2025 dates

AccuPay

Holiday	Date Observed (AccuPay closed)
Thanksgiving Day 2024	Thursday, November 28
Day after Thanksgiving 2024	Friday, November 29
Christmas Holiday 2024	Tuesday, December 24
Christmas Holiday 2024	Wednesday, December 25
New Year's Holiday 2025	Wednesday, January 1
Memorial Day 2025	Monday, May 26
Independence Day 2025	Friday, July 4
Labor Day 2025	Monday, September 1
Thanksgiving 2025	Thursday, November 27
Day After Thanksgiving 2025	Friday, November 28
Christmas Holiday 2025	Wednesday, December 24
Christmas Holiday 2025	Thursday, December 25

Federal Reserve

When the Federal Reserve is closed, no direct deposit or tax payments will be sent nor will funds be settled on those days. You should not have checks dated on Federal Reserve Holiday dates.

Holiday	Date Observed (Federal Reserve closed)
Veteran's Day 2024	Monday, November 11
Thanksgiving Day 2024	Thursday, November 28
Christmas Day 2024	Wednesday, December 25
New Year's Day 2025	Wednesday, January 1
Martin Luther King, Jr. Day 2025	Monday, January 20
President's Day 2025	Monday, February 17
Memorial Day 2025	Monday, May 26
Juneteenth National Independence Day	Thursday, June 19
Independence Day 2025	Friday, July 4
Labor Day 2025	Monday, September 1
Columbus Day 2025	Monday, October 13
Veteran's Day 2025	Tuesday, November 11
Thanksgiving Day 2025	Thursday, November 27
Christmas Day 2025	Thursday, December 25

Year End Maintenance Details

Audit

Please start auditing your employee records now – before the busy holiday season!

- **Please verify Social Security Number, name and address** for each employee (the name must be exactly as it appears on the employee's Social Security card). Keep in mind, ITIN's, (typically starting with "9") are not accepted by the SSA on the form W2 or by the IRS on 1099 forms. You will likely receive a notice from the Social Security Administration and/or IRS if using an ITIN for year-end reporting. AccuPay will not be liable for any penalties incurred for using an ITIN. For more information visit https://www.irs.gov/businesses/small-businesses-self-employed/hiring-employees
- For your convenience, AccuPay will provide you with a W2 Verification report. Isolved users may run this report as follows: **Reporting > Client Reports > Employee W2 Verification > Generate Report > Go to My Reports Queue. Kronos/UKG users may create a report from the My Team > Employee Information screen (may need to add a column for SSN). Be sure to check employees who terminated during 2024. Ask your Payroll Specialist for Assistance.**
- Any updates to name, Social Security Numbers or addresses should be made in the system or sent to your Payroll Specialist immediately and no later than December 2, 2024. Access your employee records and make corrections in iSolved as follows:
  Employee Management > Employee Maintenance > General.

W-4's

Send a reminder to your employees regarding submitting a new W-4 for 2025. Employees who are currently claiming **exempt** from withholding must submit a new form W-4 by February 15, 2025 to maintain that status. Employers are required to begin withholding federal tax for those employees who fail to provide a new W-4 by that date. Also, any employees who have experienced a life event may need to submit a new W-4 due to the change in claim dependents. The current W-4 is available to download at https://accupay.com/forms/

Employer Portion of Healthcare

The Affordable Care Act mandates that certain employers must report the cost of employer-provided health care coverage on Forms W-2.

- **Reporting is mandatory for employers who filed 250 or more Forms W-2 in the previous year**. (2023)
- The amount reported should include both the portion paid by the employer and the portion paid by the employee.
- Please contact your Payroll Specialist to discuss the entry of the employer portion of the health insurance premium.
- **It is your responsibility to preview your W-2s and verify the amounts in Box 12 DD prior to printing W-2s. Review W-2s prior to January 6, 2025 and contact your Payroll Specialist for changes you need made. Additional fees will be charged if you fail to report changes that result in reprinting of W-2s**

Tax Rate Change Notifications

IRS and State Notifications for 2025

Unemployment rates and tax filing frequencies are mailed to the taxpayer, and it is imperative these tax-related communications are forwarded to AccuPay immediately. We require this information to ensure your taxes are paid accurately and timely in 2025.

- Please note: **Late tax payments result in interest and penalty charges**. If your federal or state tax filing frequency is changed and you do not notify us, AccuPay will not be responsible for any penalties or interest that may be charged. Likewise, AccuPay will not be responsible for penalties if additional tax is due because of an undisclosed tax rate increase.

Year-End Payrolls and Adjustments

Bonus Payrolls

If you are paying bonuses, please notify us by December 2, 2024 OR a minimum of two weeks prior to the check date – whichever comes first. Please keep in mind that you have many options when running bonus payrolls to consider:

- Would you like the bonus(es) paid in a regular payroll run or a separate run?
- If the same run, do you want the bonus paid on the same check as regular pay or a separate check?
- Are the bonus amounts you are providing gross or net amounts?
- Should we use the Supplemental Tax Rate (currently 22%) on the bonus amount?
    - Should we withhold FICA/Medicare only (along with any required state and/or local withholdings?)
- Would you like to block direct deposit and issue a paper check? (Be sure to arrange for delivery/pick-up)
- Should we block/stop any deductions on the bonus? (Be sure to review your retirement plan documents if wishing to stop these contributions)

Keep in mind that many state and local taxes are required to be withheld on ALL gross wages. If stopping these taxes for a bonus check, you may receive a notice from the tax agency requiring payment for any discrepancy.

Fringe Benefits Adjustments

If you need to report any Fringe Benefits, **please notify us by December 2, 2024 by returning the Year End Questionnaire and applicable forms**. Identify any benefits that need reporting and schedule the special payroll if needed. It is important to remember that some of these adjustments require tax withholding and they will need to be entered at the same time as a normal payroll run before the end of the year.

Manual and Void Checks

Important: Make sure that all pending 2024 Manual and/or Void checks are processed before any 2025 payrolls are processed.

Third Party Sick Pay

Important: Determine if you have Third Party Sick Pay information that must be reported for 2024. This will need to be completed before you run a 2025 payroll. **Notify us by December 2, 2024 if you won't receive the necessary information in time. Please be aware we will print all W-2s unless notified to place them on hold. Also be aware that notifying us of late third-party sick pay received after January 10 will NOT eliminate the applicable fees for processing late adjustments. Please contact your provider and request the information in advance of our Year-End Adjustment cut-off dates. As stated above, additional fees will apply for late processing.**

Remember, the last day to report adjustments is January 10, 2025. Any adjustments made after January 10, 2025 will become a W-2C and fees will be incurred! **For 2024, the minimum fee for W-2C processing is $100 per form. Additional fees will be imposed if amended state or federal tax returns are required – typically $250 per return. Please be sure all employee and payroll information is up to date before the last payroll of the year!**

W-2's/1099's/1095-C's

W-2 Forms

With the understanding that all Year-End processing deadlines have been met and you have reported all necessary information, W-2's will be processed and delivered by January 31, 2025. We encourage all online clients to complete the authorization for electronic year-end forms. Otherwise, **unless previous arrangements have been made, we will print and ship all W-2/1099 forms to your primary address. Contact your Payroll Specialist about paperless options or to change delivery options from previous years.**

1099 Forms

If you are requesting AccuPay to print your "in payroll" 1099 forms for 2024, please indicate this on the attached Year-End Questionnaire. This must be returned no later than December 2, 2024. **(AccuPay will only issue 1099 forms for contractors paid within payroll.)**

1095-C Forms

If you have more than 50 full-time equivalent employees, you are considered an Applicable Large Employer (ALE) and subject to Affordable Care Act reporting. (If you aren't sure, contact your Payroll Specialist!) If you are an ALE and AccuPay did NOT complete your ACA forms/filing last year, you must contact your Payroll Specialist as soon as possible, but no later than December 2, 2024. ACA reporting requires a separate set-up and fees from regular payroll processing. Contact your Payroll Specialist for more information. Likewise, if AccuPay did process your ACA reporting for 2023, and you have made other arrangements for 2024, please let your Payroll Specialist know as soon as possible.

Please keep in mind that the accuracy of all data reported on forms 1094-C and 1095-C is the responsibility of the employer, and must be verified before forms will be printed. Corrections required due to errors on the original form submission may incur additional fees. The AccuPay ACA team is happy to assist employers in reviewing forms to prevent filing errors. Please ask for assistance if you have any questions.

Unless previous arrangements have been made, we will be printing and shipping all 1095-C forms to your primary address. Contact your Payroll Specialist about paperless options or to change delivery options from previous years.

W-2 Forms and 1099 forms will be available for viewing and printing online by January 22, 2025.

Billing for all year-end charges will occur at the time of your first pay date in January, 2025.

ACA Billing will be added once forms are approved. Due date for delivering 1095-C forms to employees is March 3, 2025.

Year End Questionnaire

ALL CLIENTS Must Return this Questionnaire by December 2, 2024

Company ID:_____ Company Name:_____

Important Reminder: Last day to report adjustments is January 10, 2025. Any adjustments made after January 10, 2025 will become a W2-c! *For adjustments processed after December 30, 2024, please remember that tax agencies may consider tax payments late and you will be responsible for penalties and interest any agency may assess. AccuPay will charge special handling fees for any adjustments received after 12/29/24 not reported on this form.*

Print the cost of employer provided health care in Box 12DD of W-2's…….. [ ] Yes [ ] No *Mandatory for employers who filed 250 or more Forms W-2 for 2021! Employer amounts must be either entered in the system or submitted to AccuPay by December 15, 2024. Ask your Payroll Specialist for more information.*

Use this list to help identify any Fringe Benefits that need to be reported on W-2 Forms and processed. Please return the questionnaire by December 2, 2024. 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 2024.

1. Group life insurance in excess of $50,000? (If yes, complete Form A.)…… [ ] Yes [ ] No
2. Personal usage of company auto? (If yes, please complete forms.) …….. [ ] Yes [ ] No
3. "S" Corp-health insurance premiums for 2% shareholders ? (If yes, complete form B.)…… [ ]Yes [ ] No
4. Awards, prizes, gifts, stock options ?…….. [ ] Yes [ ] No
5. Retirement Plans with employer contributions in 2024 or 2025? (If yes, complete form C.) [ ] Yes [ ] No
6. Employer HSA, HRA, QSEHRA or other medical savings contributions? …….. [ ] Yes [ ] No
7. 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! If you do not expect to receive Third Party Sick Pay information by your last payroll in 2024, please contact your Payroll Specialist. Remember, last day to report adjustments is January 10, 2025. Any adjustments made after January 10, 2025 will become a W2-c and will be subject to additional fees!

Our company has made all necessary changes for our W-2s and we do not have any additional Fringe Benefits/Adjustments that need to be reported. Please print our W-2s once our final payroll is completed in 2024.
[ ] Yes (If W2s have been printed and you need to make changes, additional fees will apply.)

1099 Form Request:
All 1099 information must be recorded in the payroll system. Ask your Payroll Specialist for more information.
[ ] Yes, I would like AccuPay to print/file 1099 Forms for 2024. ***All 1099 data must be accurate and complete in the payroll system by December 20, 2024 (or the last payroll of the year, whichever comes first.)***

ACA Reporting Request: *(if you are NOT currently using AccuPay for ACA reporting)*
[ ] Yes, I am an Applicable Large Employer and would like AccuPay to contact me about ACA reporting services. OR [ ] I am not sure whether I need to complete ACA reporting. Please contact me.

_____ _____

Authorized Contact (Print) ***Authorized Contact (Signature)***

_____ _____

Date ***Phone***

After completing, please email with all applicable forms to payroll@accupay.com or fax to 317-885-7591 by December 2, 2024.

Taxable Amount of Group-Term Life Insurance Coverage To Include in Employee's Income For 2024

(Not applicable to 2% or more "S" corporation shareholder-employees)

Employee Name _____

Employee's Age as of 12/31/24 (or date of birth) _____

1.	Life insurance coverage amount provided to employee during 2024	$ _____
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 12/31/24)	$ _____
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 2024	_____
8.	Year 2024 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 2024 – 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 by December 2nd so we can withhold the appropriate taxes for this year.

"S" Corporation Employers
Issues Affecting Your 2% or More Shareholder-Employees for 2024

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 2024, 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 2024**	
	Health, Dental, Vision, Medicare Insurance Premiums	Long-Term Care Insurance Premiums

Important Note - Please provide this information by December 2 so we can prepare accurate shareholder-employee W-2 forms. * Minimum fee of $100 if W-2C is required after original forms are processed.**

ADVISORY NOTE: Make sure all 2024 health insurance premiums (including Medicare premiums paid from social security benefits) are paid/reimbursed by 12/31/24.

Employer Retirement Plan Information
For Calendar Year 2024
Planning For 2025 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 2024. "Active participation" implies that an employee received an economic benefit (contributions, plan allocations, etc.) from a retirement plan during 2024. **Accurate presentation of this information is important since it affects your employees' eligibility for tax-deductible IRA's on their 2024 personal income tax returns. Review your 2024 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 2024 which included <u>employer contributions for the benefit of employees</u>:

- ❑ 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 2024 employer contributions or who otherwise benefited from a retirement plan during 2024 (i.e., perhaps their only benefit was an allocation of 2024 retirement plan income). <u>We will check boxes for only those employees who "actively participated" in retirement plans during 2024.</u>

IMPORTANT! PLANNING FOR 2025 FUNDING BY EMPLOYEES

Please let us know which employees you want us to calculate and withhold the maximum 2025 retirement plan funding for any of the following plans:

	MAXIMUM 2025 EMPLOYEE FUNDING	
Type of Plan	**Under Age 50**	**At Least 50 by 12/31/25**
401(k) and 403(b) retirement plans	$ 23,500	$ 31,500
SIMPLE-IRA retirement plan	$ 16,500	$ 20,000

Authorization for Electronic Year-End Reports/Forms

While electronic W-2's and reports have long been available to AccuPay clients, the IRS requires employees to consent to "electronic only" copies before ceasing to provide a paper form. By signing below, you are authorizing AccuPay to provide these consent forms to your employees via Employee Self Service. The employee will see this consent the next time they log in. AccuPay will only print W-2's for employees who do NOT consent to electronic forms. In addition, all year-end tax returns/reports will be paperless and available in the payroll software for viewing, downloading or printing by your system administrators per your company's user settings. Please note that consent will apply to ALL year-end forms an employee may receive – W-2, 1099, and 1095-C.

If you do not currently utilize Employee Self-Service for your employees, this must be set-up prior to initiating the consent. Contact your Payroll Specialist for more information as soon as possible. An email address for every employee is required to use Employee Self-Service.

To activate this service, please complete and submit the form below to your Payroll Specialist or payroll@accupay.com as soon as possible but no later than December 2, 2024.

I understand and agree that paper year-end forms, including W-2, 1099, and/or 1095-C, will not be produced for the tax year 2024 forward for any employees who consent to electronic-only copies. I authorize AccuPay to activate this online consent form for my employees and understand that AccuPay will only produce paper copies of forms for employees who do not consent. I understand that it is ultimately my responsibility, as the employer, to ensure all employees receive year-end forms timely and will not hold AccuPay liable should employees not be able to access the electronic copies due to Internet issues, user error, or other issue beyond AccuPay's control. I understand that I will have access to electronic copies of all year-end forms and agree to print or otherwise provide any necessary copies to employees who are unable to obtain them online.

Furthermore, I understand that all future quarterly tax reports will be provided in electronic form within the payroll system and will no longer be mailed or couriered.

☐ Please enroll my company in Employee Self-Service. I understand I must provide email addresses for all employees.

_____ _____

Printed Name Signature

_____ _____

Company/Organization Name Date