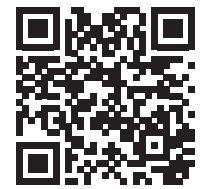




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## 2023 YEAR-END GUIDE



Scan the QR code for digital version of the Year-end guide.

### PAYSMART 2023 YEAR-END GUIDE TO PAYROLL

Another year is drawing to a close! To help you prepare for year-end payroll processes, Paysmart has developed this guide of important information. We understand this can be a challenging time of year for payroll and want you to know that this guide is intended to reduce the burden for you. If you have any questions about this guide or any other year-end process, do not hesitate to give us a call at **864-PAYROLL** and we will have someone ready to answer your questions.

A copy of this guide will also be available on our website.

### INFORMATION TO REPORT BY DEC. 11, 2023

- ✓ In-house payroll checks issued outside of payroll
- ✓ Voided payroll checks
- ✓ Sick/Disability payments made by third parties<sup>1</sup>
- ✓ Taxable adjustments, such as personal use of company vehicle
- ✓ Value of group term life insurance
- ✓ Additional employee contributions to retirement accounts
- ✓ Bonus pay<sup>2</sup>
- ✓ Employer contributions to HSA<sup>3</sup>
- ✓ Shareholder health insurance premiums<sup>4</sup>
- ✓ Updated employee address or SSN<sup>5</sup>

### IMPORTANT DEADLINES

**Dec 11, 2023:** Provide all year-end info to Paysmart

**Dec 11, 2023:** Communicate your W-2 delivery option

**Jan 19, 2024:** Reports and W-2s to be published

**Jan 19, 2024:** W-2s ready for pickup or delivery

**Jan 31, 2024:** Employers must postmark W-2s

\*\*Please let us know if you would like more information on how to retrieve your reports.

You can find information on holiday payroll schedules as well as when Paysmart will be closed for the holidays on our website.

### ADDITIONAL FEES

Paysmart will not discuss W-2s with employees of your company. Any duplicate requests must be submitted by the employer. A fee of **\$10 per duplicate** W-2 will be charged to the employer. You may pull W-2 copies through our **online portal** at no additional charge.

Any payroll information processed after **December 11th** or your last payroll of the year, will have an additional \$50 fee to reopen the year as well as amended return fees and possible penalties from the IRS/State tax agencies. Amended return fees are **\$75 per amended federal or state return and \$20 per amended W-2.**

**PAYSMART WILL NOT BE RESPONSIBLE FOR ANY PENALTIES OR INTEREST INCURRED DUE TO INFORMATION BEING PROVIDED AFTER THE DEADLINE OF DEC. 11, 2023.**

## W-2 DELIVERY OPTIONS

Please let us know your preference for delivery by **Dec. 11**.

1. Delivery by UPS of all W-2s to business address.  
**Delivery fees start at \$25.**
2. Payscale delivers individual W-2s to each employee.  
**The delivery fee for this is \$3 per W-2.**
3. Pick up packet of all W-2s at Payscale office.  
**There is no delivery charge for this option.**

If we do not receive a response with your preference by **December 11th**, we will mail W-2s to all employees individually.

As a reminder, W-2s returned by mail should be kept on file for four years.

## SOCIAL SECURITY NUMBER & ADDRESS VERIFICATION<sup>5</sup>

Payscale verifies employees' SSNs if we process E-Verify for new employees on your behalf. If Payscale does not provide this service, it is up to you to make sure the SSNs are correct.

Payscale also recommends verifying that all employees have their addresses updated for W-2 delivery purposes. If any updates are needed, please send these to Payscale by **December 11th**.

There are reports available that will allow for you to verify this information. Please let us know if you would like more information on how to pull these reports

## NET TO GROSS CHECKS

If you provide net payroll checks to your employees, these need to be reported on the employee's W2. Please let Payscale know of any federal or state withholding or the net check will be grossed up by Social Security and Medicare only. These need to be reported to Payscale by **December 11th**. Additional payroll fees may apply.

## SHAREHOLDER HEALTH INSURANCE<sup>4</sup>

For an S-Corporation to deduct shareholder health insurance on the corporation tax return, the insurance premium paid for the year must be reported on the shareholder's W-2. The shareholder's premium must be reported to Payscale by December 11th to have it properly reported on the W-2.

## FILING TO TAX AGENCIES

Payscale will submit all W-2s to the appropriate federal and state tax agencies by the required due dates.

If you need assistance in preparing and filing 1099s, please let us know and we will put you in contact with our sister company, Stokes & Company CPAs, to have these created for you. Additional charges will apply.

## PROCESSING BONUSES<sup>2</sup>

Bonuses can be processed a few different ways. To ensure accuracy, and that Payscale understands how you want these to be processed, please use the bonus checklist for any bonuses that you need to report. Please submit this to Payscale by **December 11th**.

## THIRD PARTY SICK PAY<sup>1</sup>

Insurance companies are required to provide this information by **January 15th 2024**. Please let Payscale know if third party sick pay is expected. We will postpone processing year-end reports until this information is received. This will delay year-end reports and W-2s, but all reports will be available by **January 31, 2024**.

## EMPLOYER HSA CONTRIBUTIONS<sup>3</sup>

Do you contribute to your employees' HSA accounts? The amount contributed must be reported on the employees' W-2. Please report to Payscale any contributions to employees' HSA accounts by **December 11, 2023**. These contributions have no tax consequence but are required to be reported.

## EMPLOYER COST OF HEALTH INSURANCE

The Affordable Care Act requires employers who reported more than 250 W-2s in the previous year to report the cost of coverage under an employer-sponsored plan on W-2 forms in the following year. This reporting is not taxable and is optional for employers with fewer than 250 employees until further notice. Employers may report this information to Payscale at year end or have it reported on an employee's check stub each pay, as well as the year-end W-2. Please submit by **December 11th** or your last 2023 payroll.



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