

Paysmart

It's not payroll. It's people.®

Welcome to Year-End with Paysmart

Thank you for trusting our team with your payroll in 2026. Whether you have partnered with us for many years or joined us recently, we are grateful for the opportunity to serve you and your business.

We know the end of the year brings added pressure for business owners. There are deadlines to meet, goals to close out, and plans to prepare for the year ahead. Payroll shouldn't add to that stress. That is where we come in. Our team is here to make sure your year-end process is clear, accurate, and completed on time so you can stay focused on what matters most.

This guide walks you through every detail that needs your attention before year-end. Following it will help ensure your reports, filings, and W-2s are completed accurately and without delay.

If you have any questions as you review this guide, please don't hesitate to reach out. We welcome the conversation and are glad to help at 864-PAYROLL or payroll@paysmartsc.com.

Report by December 9, 2026

- ◯ In-House Checks *(issued outside of payroll)*
- ◯ Voided Payroll Checks
- ◯ Third Party Sick Pay
- ◯ Taxable Adjustments
  (e.g. - personal use of company car)
- ◯ Value of Group Term Life Insurance
- ◯ Additional Employee Retirement Contributions
- ◯ Bonus Pay
- ◯ Employer Contributions to HSA
- ◯ Shareholder Health Insurance Premiums
- ◯ Updated Employee Address or SSN

Important Deadlines

Dec 9: Report Year-End Info to Paysmart

Jan 1: Paysmart Publishes Q4 Reports

Jan 21: W-2s Available for Delivery or Pickup

Jan 23: W-2s Available in Secure Portal

Feb 1: Employers Must Postmark W-2s

Questions?

Give Us a Call - 864.729.7655

Email Us - payroll@paysmartsc.com

Scan for Digital Year End Guide

Third Party Sick Pay

Insurance companies are required to provide this information by **January 15, 2027**. Please let Paysmart know if any third-party sick pay is expected. We will hold year-end processing until this information is received. This may delay your year-end reports and W-2s, but all reports will be available no later than **January 31, 2027**.

Bonus Pay

Many businesses give year-end bonuses to their employees. Accuracy and timing are critical to avoid incorrect amounts, early deposits, or missed details. Use our Bonus Checklist (paysmartsc.com/year-end-guide) and submit all bonus details to Paysmart by **December 9** for accurate, timely processing.

Employer Contributions to HSA

Do you contribute to your employees' HSA accounts? These amounts must be reported on each employee's W-2. Please report all HSA contributions to Paysmart by **December 9**. While these contributions are not taxable, they are required to be reported accurately.

Shareholder Health Insurance

For an S Corporation to deduct shareholder health insurance on its tax return, the premiums paid must be reported on the shareholder's W-2. Please report all shareholder premiums to Paysmart by **December 9** to ensure they are properly included.

Employee Address or SSN

If Paysmart processes E-Verify for your new employees, we confirm their Social Security numbers. If not, it is your responsibility to ensure all SSNs are correct.

We also recommend confirming that every employee's address is current for W-2 delivery. Send any updates to Paysmart by **December 9**.

Reports are available to help you verify this information. Let us know if you would like guidance on how to access them.

Net to Gross Checks

If you issue net payroll checks to employees, these must be reported on their W-2s. Please provide Paysmart with any federal or state withholding details, or the net amount will be grossed up for Social Security and Medicare only. Report all net checks by **December 9**. Additional payroll fees may apply.

Filing to Tax Agencies

Paysmart will file all W-2s with the appropriate federal and state agencies by the required deadlines. If you need help preparing or filing 1099s, please let us know. We can create and file them for you for an additional fee.

Employer Health Insurance Cost

The Affordable Care Act requires employers who issued more than 250 W-2s in the prior year to report the cost of employer-sponsored health coverage on each employee's W-2. This amount is not taxable and remains optional for employers with fewer than 250 employees.

You may report this information to Paysmart at year end or have it included on each paycheck throughout the year. Please submit any year end updates by **December 9** or with your final 2026 payroll.

Paysmart will not be responsible for any penalties or interest incurred due to information provided after the December 9, 2026 deadline.

Additional Fees

Paysmart does not discuss W-2s directly with employees. Any duplicate requests must come from the employer. A fee of $10 per duplicate W-2 will be billed to the employer. You can access W-2 copies anytime through our online portal at no additional charge.

Payroll information submitted after **December 9** or after your final payroll of the year will incur a $50 year reopen fee, plus amended return fees, and any applicable IRS or state penalties. Amended return fees are $100 per federal or state return and $20 per amended W-2.