

# **Welcome to Year-End Best Practices**

**Brenda Mott**

**11.7.2015**

# 1943 Form W-2

Form W-2  
U.S. TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE

**STATEMENT OF INCOME TAX WITHHELD ON WAGES**  
**By Employer**  
**(EMPLOYEE'S RECEIPT)**

**Calendar Year**  
**1943**

## INSTRUCTIONS TO EMPLOYER

Prepare this form in duplicate for each employee from whom a tax has been withheld. Furnish original to employee. Forward duplicate with Return of Income Tax Withheld on Wages, Form W-1, for the fourth quarter of the year (or with the employer's final return, if filed at an earlier date). (See Circular WT.)

## INSTRUCTIONS TO EMPLOYEE

This is your receipt for Income Tax (including Victory Tax) withheld. You should keep it for use in preparing your Income and Victory Tax return for 1943, and as evidence of tax withheld.

## EMPLOYEE TO WHOM PAID

(Print full name of employee, home address, and social security number, if any. If employee is a married woman, name of husband should also be furnished)

## EMPLOYER BY WHOM PAID

(Name and address of employer)

## STATEMENT OF INCOME TAX WITHHELD ON WAGES

Wages paid during the calendar year 1943 \_\_\_\_\_ \$ \_\_\_\_\_

Amount of income tax withheld \_\_\_\_\_ \$ \_\_\_\_\_

# 72 Years Later - 2015 Form W-2

22222		Void <input type="checkbox"/>		a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld	
				3 Social security wages		4 Social security tax withheld	
c Employer's name, address, and ZIP code				5 Medicare wages and tips		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
				9		10 Dependent care benefits	
d Control number		e Employee's first name and initial		Last name		Suff.	
f Employee's address and ZIP code		11 Nonqualified plans		12a See instructions for box 12		12b	
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12c		12d	
		14 Other					
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

**2015**

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10134D

# 72 Years Later - 2015 Form W-2



## Form W-2 boxes

Box 1 WAGES, TIPS, OTHER COMPENSATION  
Box 2 FEDERAL INCOME TAX WITHHELD  
Box 3 SOCIAL SECURITY WAGES  
Box 4 SOCIAL SECURITY TAX WITHHELD  
Box 5 MEDICARE WAGES AND TIPS  
Box 6 MEDICARE TAX WITHHELD  
Box 7 SOCIAL SECURITY TIPS  
Box 8 ALLOCATED TIPS  
Box 9  
Box 10 DEPENDENT CARE BENEFITS  
Box 11 NONQUALIFIED PLANS  
Box 12 Refer to the Box 12 tab for box 12 codes  
Box 13 Status check boxes  
Box 14 OTHER  
Box 15 STATE  
Box 15 EMPLOYER'S STATE ID NUMBER  
Box 16 STATE WAGES, TIPS, ETC.  
Box 17 STATE INCOME TAX  
Box 18 LOCAL WAGES, TIPS, ETC.  
Box 19 LOCAL INCOME TAX  
Box 20 LOCALITY NAME  
Box A EMPLOYEE'S SOCIAL SECURITY NUMBER  
Box B EMPLOYER'S IDENTIFICATION NUMBER (EIN)  
Box C EMPLOYER'S NAME, ADDRESS AND ZIP CODE  
Box D CONTROL NUMBER  
Box E EMPLOYEE'S NAME  
Box F EMPLOYEE'S ADDRESS AND ZIP CODE

## Box 12

A Uncollected Social Security or RRTA tax on tips  
B Uncollected Medicare tax on tips  
C Taxable cost of group-term life insurance over \$50,000  
D Elective deferrals to a section 401(k) cash or deferred arrangement including a 401(k) SIMPLE  
E Elective deferrals to a section 403(b) salary reduction agreement  
F Elective deferrals to a section 408(k)(6) salary reduction SEP  
G Elective and non-elective deferrals and employer contributions to a section 457(b) deferred compensation plan  
H Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan  
J Non-taxable sick pay (not included in boxes 1, 3, or 5)  
K 20 percent excise tax on excess golden parachute payments  
L Substantiated Employee Business Expense reimbursement (non-taxable)  
M Uncollected Social Security or RRTA tax on taxable cost of group-term life insurance over \$50,000  
N Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000  
P Excludable moving expense reimbursement  
Q Non-taxable combat pay (not supported by Ceridian)  
R Employer contributions to your Archer Medical Savings Account (MSA)  
S Employee salary reduction contributions to Section 408(p) (SIMPLE)  
T Adoption benefits (not included in box 1)

## Box 12 continued

V Income from exercise of non-statutory stock option(s)  
W Employer contributions to your Health Savings Account  
Y Deferrals under a section 409A nonqualified deferred compensation plan  
Z Income under a section 409A nonqualified deferred compensation plan  
AA Designated Roth contributions to a section 401(k) plan  
BB Designated Roth contributions under a section 403(b) plan  
DD Cost of employer-sponsored health coverage. The amount reported with code DD isn't taxable  
EE Designated Roth contributions under a governmental section 457(b) plan. This amount doesn't apply to contributions under tax-exempt organization section 457(b) plan.

## Box 13

If "Retirement Plan" is checked, special limits may apply to the amount of traditional IRA contributions that you may deduct. Also, the elective deferrals in box 12 (codes D, E, F, and S) and designated Roth contributions (codes AA and BB) for all employees, and for all such plans that you belong to, are generally limited to \$17,500.



# Year-End Survival

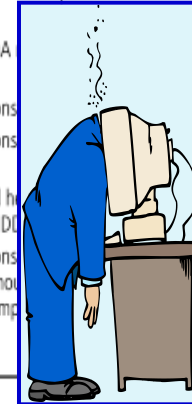


ER COMPENSATION  
TAX WITHHELD  
WAGES  
TAX WITHHELD  
AND TIPS  
THHELD  
TIPS

Box 9  
Box 10 DEPENDENT CARE BENEFITS  
Box 11 NONQUALIFIED PLANS  
Box 12 Refer to the Box 12 tab for box 12 codes  
Box 13 Status check boxes  
Box 14 OTHER  
Box 15 STATE  
Box 15 EMPLOYER'S STATE ID NUMBER



contin  
from exercise of non-statutory stock option(s)  
r contributions to your Health Savings Account  
s under a section 409A nonqualified deferred  
sation plan  
under a section 409A  
sation plan  
ed Roth contributions  
ed Roth contributions  
lan  
employer-sponsored by  
reported with code D  
ed Roth contributions  
57(b) plan. This amou  
ions under tax-exemp  
lan.

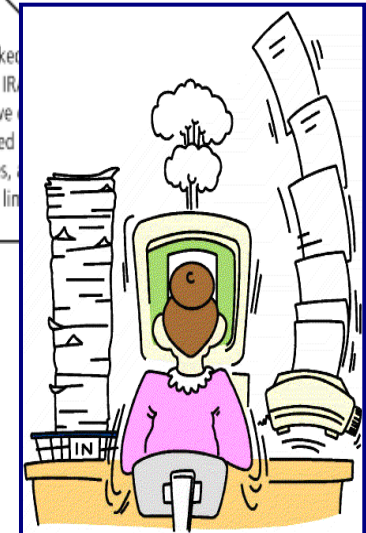


RITY NUMBER  
ON NUMBER (EIN)  
ESS AND ZIP CODE

D ZIP CODE

T Adoption benefits (not included in box 1)

ent Plan" is checked  
unt of traditional IR  
Also, the elective  
S) and designated  
for all employees,  
you belong to, are generally lin



# Year-Round Plan

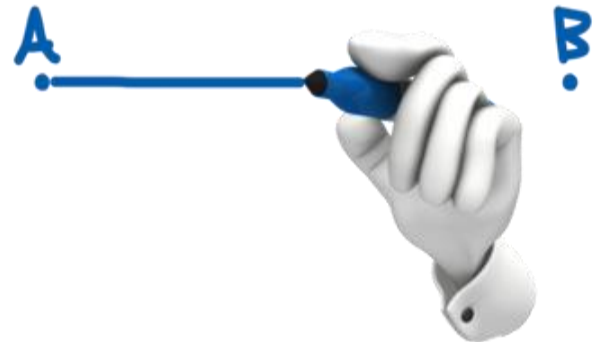


# Year-Round Plan

## Agenda

- Year-Round Checklist
- Training and Resources
- Outsourcing Options
- Proactive Approach
  - Audit! Audit! Audit!
  - W-2 and Special Reporting
  - Dates and Deadlines
- Make the most of your workday

Jan 1.....12/31



# 54



**DAYS UNTIL 1/1/2016**



# Plan of Attack

- Build a foundation
  - Create a Year-Round Team
  - Include all who touch year-end
- Develop a strategy plan
  - Year-Round Checklist
  - Simple but detailed
  - Proactive: Stay on track
- Know your resources
  - Internal / External / Websites



# Year-Round Checklist

- Items to list
  - Tasks, activities, processes
- Include year-round items
  - Monthly / Quarterly / Year-End
- Accountability
  - List who, what, where, when, and resources to accomplish task
- Living document
  - Add, change, delete throughout year
  - What went wrong ➡ Review to modify or delete the task
  - What went right ➡ Review to maintain or modify the task



# Request Third Party Updates

- 401(k) vendor
- Benefit carriers
- Banks
- Third Party Sick Pay
- Payroll Provider: Procedures, software updates, deadlines
- Internal Changes: Procedures, software updates, deadlines



# Communicate, Communicate, Communicate!

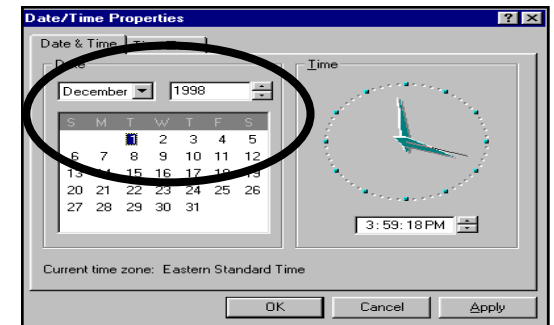
## ■ Communicate internally and externally

- Payroll changes: Changing banks, frequencies, transfers
- Tax changes: Mergers, acquisitions, closures, ID changes
- Reporting requirements: 401(k), third parties
- Timekeeping system updates: Accruals, schedules, holidays
- Deduction updates
- General ledger updates
- Vacation/sick/holiday policy changes
- Pay grade changes



## ■ Processing Schedule for 2015 and 2016

- Bonus or special adjustment payrolls
- Wage and tax adjustments
- Review communications regarding deadlines



# Year-Begin

- Update deductions and limits
- Update vacation/sick/holiday accruals
- Update employee master changes
- Frequency Change
  - Pay rates, deductions, limits, tax elections, accruals, calendar
- Review Calendar: Verify check dates with holidays
- Update software:
  - General Ledger, Accounts Payable
- Backups! Backups! Backups!





# Training: Knowledge is Power

- **Training is an Investment!**
- Know Your Resources
  - Payroll Provider Service Team
  - User Groups: APA Chapter Meetings, Linked-In
  - Websites: IRS, DOL, APA, Google
  - Books: CPP or FPC Reference Manuals from APA
  - Internal: Company attorney, CPA or tax advisor
- Cruise the Internet
  - APA: [www.americanpayroll.org](http://www.americanpayroll.org)
  - IRS: [www.irs.gov](http://www.irs.gov)



## TIP:

Setup a reminder in Outlook Calendar to review web sites. Include links in reminder.

# Resources:

## **IRS:** [www.irs.gov](http://www.irs.gov)

- What's Hot
  - IRS: W-2/W-3 Instructions
  - <http://www.irs.gov/instructions/iw2w3/ch01.html>

## **SSA:** [www.socialsecurity.gov](http://www.socialsecurity.gov)

- SSNVS: Social Security Number Verification Service
- My Social Security Account (Educate Employees)

## **DOL:** [www.DOL.gov](http://www.DOL.gov)

- WHD > Minimum Wage Laws by State

## **Small Business Administration:** [www.sba.gov](http://www.sba.gov)

- Filing & Paying Taxes > State Tax Obligations

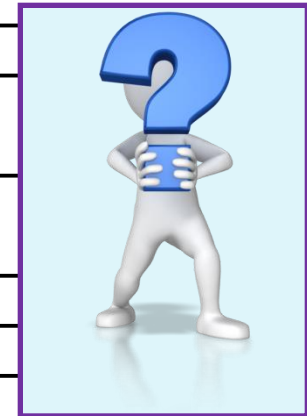
## **American Payroll Associations:** [www.americanpayroll.org](http://www.americanpayroll.org)

- Links for Federal / State / Local websites



# Website Resources: Agencies

<b>FEDERAL RESOURCES:</b>		
IRS	<a href="http://www.irs.gov">www.irs.gov</a>	
IRS Forms	<a href="http://www.irs.gov/formspubs/index.html">www.irs.gov/formspubs/index.html</a>	
IRS E-Newsletters	<a href="http://www.irs.gov/uac/e-News-Subscriptions-2">http://www.irs.gov/uac/e-News-Subscriptions-2</a>	
US Department of Labor	<a href="http://www.dol.gov">www.dol.gov</a>	Minimum Wage Laws by State
Social Security Administration	<a href="http://www.ssa.gov">www.ssa.gov</a>	
US Immigration & Naturalization	<a href="http://www.uscis.gov">www.uscis.gov</a>	
<b>STATE RESOURCES:</b>		
NC Department of Revenue	<a href="http://www.dor.state.nc.us">www.dor.state.nc.us</a>	
NC Department of Labor	<a href="http://www.nclabor.com">www.nclabor.com</a>	
NC Employment Security Commission	<a href="http://www.ncesc.org">www.ncesc.org</a>	
NC New Hire Reporting	<a href="http://newhire-reporting.com/NC-Newhire/default.aspx">http://newhire-reporting.com/NC-Newhire/default.aspx</a>	
SC Department of Revenue	<a href="http://www.sctax.org/default.htm">www.sctax.org/default.htm</a>	
SC Department of Labor	<a href="http://www.llr.state.sc.us">www.llr.state.sc.us</a>	
SC Employment Security Commission	<a href="http://www.sces.org">www.sces.org</a>	
SC New Hire Reporting	<a href="http://www.state.sc.us/dss/csed/newhire.htm">www.state.sc.us/dss/csed/newhire.htm</a>	



# Website Resources: HR/Payroll

<b>INDUSTRY RESOURCES:</b>		
American Payroll Association	<a href="http://www.americanpayroll.org">www.americanpayroll.org</a>	Offers information such as: current events, tax agency links, access to their publications, and a bulletin board environment.
Small Business Administration	<a href="http://www.sba.gov">www.sba.gov</a>	Filing & Paying Taxes > State Tax Obligations
Ascentis	<a href="http://www.ascentis.com">www.ascentis.com</a>	Resources link for APA training events
Yearend Processing Checklist	<a href="https://www.google.com/#q=payroll+year+end+processing+checklist">https://www.google.com/#q=payroll+year+end+processing+checklist</a>	Resources for year-end checklists
Employee Benefit News	<a href="http://www.benefitnews.com">www.benefitnews.com</a>	Offers a number of free and member services concerning benefits news and HR management. The free section includes current events, magazine articles, and a bulletin board area.
HRWorld	<a href="http://www.hrworld.com">www.hrworld.com</a>	Home of HR/PC magazine, the site offers numerous HR information services, a majority of which are for members.
Society of Human Resource Management Site/HR magazine	<a href="http://www.shrm.org">www.shrm.org</a>	Offers information about numerous HR issues and trends. Magazine is available online.
WageWeb	<a href="http://www.wageweb.com">www.wageweb.com</a>	Offers salary survey data online that includes over 150 benchmark positions.

# Website Resources – For Employer

**IRS:** [www.irs.gov](http://www.irs.gov)

- What's Hot
- Voluntary Worker Classification Settlement Program (VCSP)
- E-Newsletters: <http://www.irs.gov/uac/e-News-Subscriptions-2>

## **Subscribe To Quick Alerts**

It's the free online service that is designed to keep Tax Professionals informed of e-file issues and events almost the very moment they occur... 24/7

## **e-News for Payroll Professionals**

e-News for Payroll Providers is a free electronic mail service designed to provide information specifically affecting federal payroll tax returns.

## **Subscribe to IRS Tax Tips**

Subscribe to Tax Tips to get tax information via e-mail from the IRS daily during the tax-filing season and periodically the rest of the year.

## **Subscribe to IRS GuideWire**

GuideWire subscribers are notified by e-mail when the IRS issues advance copies of tax guidance such as Regulations, Revenue Rulings, Revenue Procedures, Announcements, and Notices.

## **Join e-News for Tax Professionals**

The IRS e-News for Tax Professionals provides the latest national news for the tax professional community, as well as links to resources on IRS.gov and local news and events by state.

## **Subscribe to e-file News for Large Businesses**

Subscribe to e-file News for Large and Mid-Size Corporations.

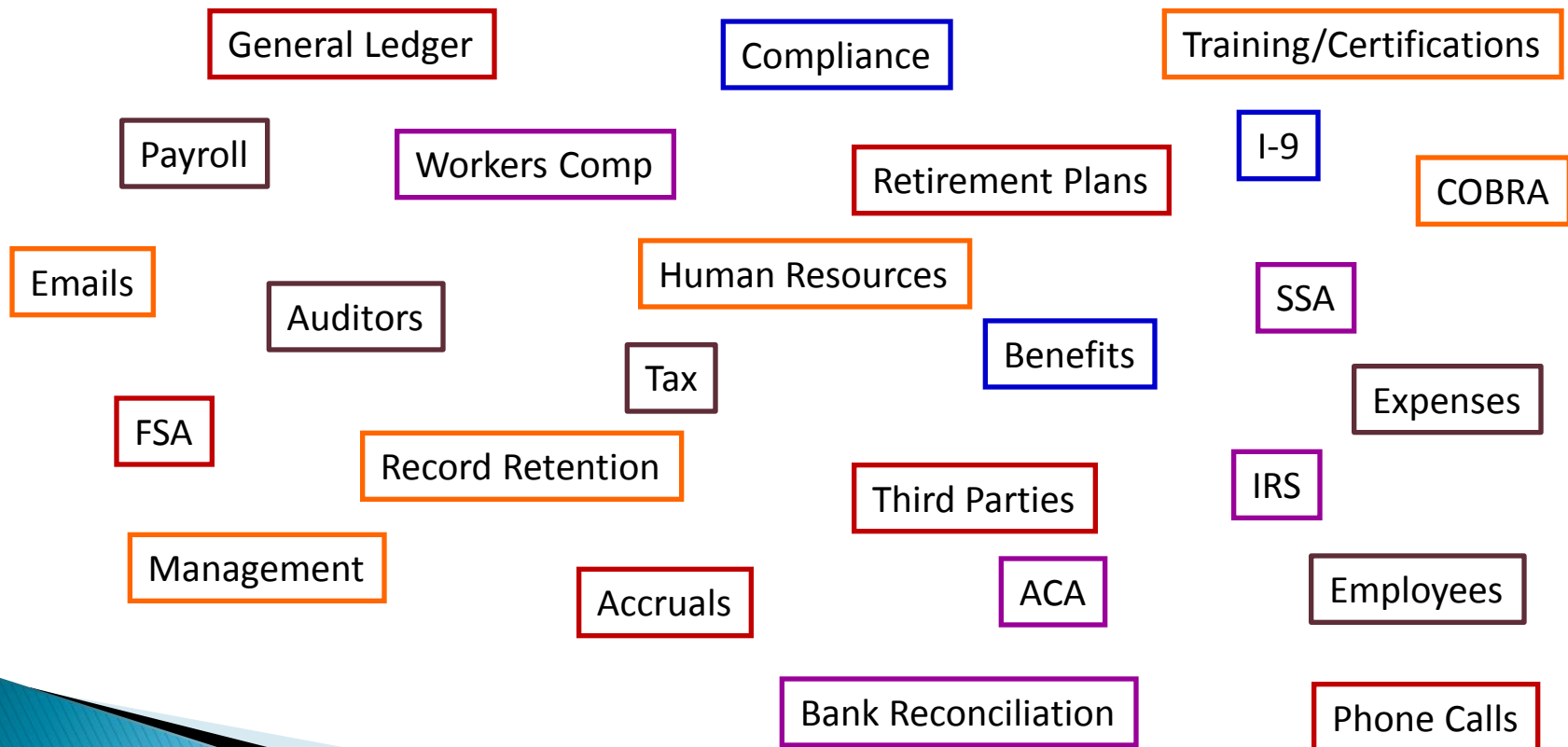
## **Subscribe to Exempt Organization Update**

Subscribe to Exempt Organizations Update, a free e-mail service for tax professionals and representatives of tax-exempt organizations from the IRS. Subscribers receive e-mail updates and alerts from the IRS about developments in exempt organizations tax law and regulations, upcoming IRS training and events, and other information.



# Outsourcing Options

- Is outsourcing an option?
- Document time to administer, process, verify and report
- Provide upper management with concrete evidence



# Outsourcing: Flex Spending Account

## Flex Spending Account: FSA

- Health: Medical, Dental and Vision
- Dependent Care
- Tax-savings benefits for both employee and employer
- Offset any out-of-pocket expenses
- Administer plan
  - Plan Setup
  - Provide Plan Document
  - Open Enrollment
  - Claim Substantiation



# Outsourcing: COBRA

## COBRA

- Administer plan
- Provides training to employer for employee maintenance
- Provide all required notices and documentation in required timeline
- Manages rate renewals and plan changes
- Ensure employer remains compliant under the law



# Outsourcing: Workers Comp

## Workers Comp

- Most states require
- Pay-As-You-Go Program
- Competitive rates offered by various companies
- No large down payment
- Premiums calculated base on actual payroll data
- Potential to minimize year-end audit adjustments



### Pay-As-You-Go Program:

- Insurance premiums drawn from bank account with each payroll processing
- No down payment required
- No longer needing to guess amount to pay in advance

# Outsourcing: 401(k)

## 401(k)

- Full integration with payroll application
- Employee deductions and employer match automatically drafted via ACH each pay
- Payroll data is transferred to the TPA automatically
- Year-end census data is completed automatically
- Employee deduction changes made online
- Increase employees retirement significantly
- Low cost and low fee program

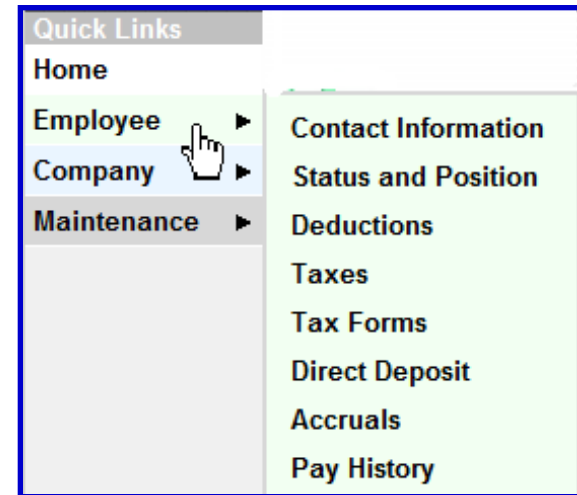




# Outsourcing: Employee Self Service

## Employee View

- Master Information
  - Name, address, SSN
- Status and Position
- Deductions
- Taxes
- Direct Deposit
- Pay History
- Tax Forms: W-2 or 1099
  - Employees elect to receive tax form online



- Reduce printing and shipping costs
- Decrease administrative hassles
- Improve data accuracy

# Audit! Audit! Audit! ... You are responsible!

## ■ Company-level

- Company name and address
- Tax identification numbers
- Unemployment rates
- Tax deposit frequencies
- Earnings and deductions setup
  - Verify taxes and W-2 boxes are updated correctly



## ■ Employee-level

- Name, address, SSN, wages, taxes, deductions
- Review terminated and inactive employees during the year
- Social Security Administration ([www.ssa.gov](http://www.ssa.gov))
  - E-Verify: online verification tools available
- Communicate with employees
  - Review the paystub
  - Print, review and approve Employee Profile document (sign-off sheet)
  - Bulletin Board

# AUDIT! AUDIT! AUDIT!

- Outstanding checks > 30 days old
- Accounts Payable: outstanding items for W-2
  - Moving Expense, Business Expense, etc.
- Reconciliation is the key to success
  - Balance as you go!
  - Each payroll > month-end > quarter-end > year-end
- Incentive: Fees associated with incorrect information
  - Additional payroll runs
  - Amended returns
  - Reprint of tax forms
  - Printing of W-2C forms



# Audit! Audit! Audit!

## Review Reports

- FICA Variance Report
- Employee Profile Report
- W-2 Edit Report
- ACA Report
- Deductions and Limit Report
- Accrual History
- Third Party Sick Pay
- Payroll Register with year-to-date information
- Termination List
- Quarterly Returns verses Year-end Reports
- Company Tax Audit Report



Verify with payroll provider or third parties to determine reporting options.

# Fica Variance Report

<b>FICA Variance</b>	<b>CSR STORAGE COMPANY</b> Company (CSRSTORE)	Check Dates: 01/01/2014 to 12/31/2014 Process: 2014010100 to 2014123199	Page 1
No records were found with a variance greater than 0.01			



Employee	Emp Id	Status	Check Type	Check Date	Process	Social Security				Medicare			
						Wages	Calculated	Withheld	Variance	Wages	Calculated	Withheld	Variance
Jones, Tom	158	A	Reg	01/18/13	2013011801	1,475.15	91.46	93.50	-2.04	0.00	45.94	0.00	45.94
Jones, Tom	158	A	Manual	01/18/13	2013011801	755.25	46.83	44.78	2.05	0.00	45.94	0.00	45.94
<b>Total For Class</b>						<b>2,230.40</b>	<b>138.29</b>	<b>138.28</b>	<b>0.01</b>	<b>0.00</b>	<b>91.87</b>	<b>0.00</b>	<b>91.87</b>



# Employee Profile

- Master Demographic
- Rate/Salary
- Tax Information
- Deduction
- Pay History



## Geller, Monica A

123 Montana Hills Rd Charlotte, NC 28212	Emp Id SSN DOB Gender Marital Status	1 231-45-4466 06/15/1960(54) F S	Status Position Title Pay Group Job Code	A     	Emp Type Statutory Seasonal Domestic Emp Probation	 0.00 0.00 No 0.00	Home # Work # Ext. Email Mail Stop	     
Hire Date Rehire Date Term Date Term Reason Adj Sen Date Pension	01/01/2010     No	Visa Type Exp Citizen I9 Verified I9 Reverify Deceased	     No	Tax Form WCC EEOC Supervisor ID Name Def Comp	W2 3724    No	Union Union Date Collect Dues Paid Init. Fees Veteran Legal Rep	  No No  No	Nickname surname Prior Last Disability Smoker No

## Rate/Salary Information

AutoPay	Pay Frequency	OT Exempt	Default Hours	RateCode	Description	Rate	Salary	Effective	Dates	Department
	B	No	0.00	2	Rate 2	11.00		03/21/2013	to 12/31/2100	D
				2	Rate 2	13.00		10/01/2010	to 12/31/2100	Branch
				3	Rate 3	12.00		03/21/2013	to 12/31/2100	Division
				Base	Base Rate	10.00		03/21/2013	to 12/31/2100	10

## Tax Information

Employee Tax	Status	Add'l Amount	Effective	Dates	Default	Employer Tax	Effective	Dates	Default
MED Medicare		0.00	09/01/2010	to 12/31/2100	Yes	MED-R Medicare - Employer	09/01/2010	to 12/31/2100	
SS OASDI		0.00	09/01/2010	to 12/31/2100	Yes	SS-R OASDI - Employer	09/01/2010	to 12/31/2100	
FITW Federal Income Tax	S-2	0.00	09/01/2010	to 12/31/2100	Yes	FUTA Fed Unemployment	09/01/2010	to 12/31/2100	
NC North Carolina SITW	S-0	0.00	02/01/2011	to 12/31/2100	Yes	NCSUI North Carolina SUI	02/01/2011	to 12/31/2100	
						NCSUR NC State Reserve Tax	02/01/2011	to 12/31/2100	

## Deduction Information

Code	Deduction	Rate	CalcCode	Frequency	Goal/Paid	Min/Max/Annual Max	Arrears	Agency	Effective	Dates
I2	Testing	20.00			0.00/0.00	0.00/0.00/0.00	0.00	CS-MI SDI	09/01/2010	to 03/01/2012
Health	Health 125	500.00	NET		0.00/0.00	0.00/0.00/0.00	0.00		02/01/2011	to 03/01/2012
IRA	IRA	20.00			0.00/0.00	0.00/0.00/0.00	0.00		02/01/2011	to 03/01/2012
IRSTAX		300.00	IRSLevy		0.00/0.00	0.00/0.00/0.00	0.00		09/01/2010	to 03/01/2012

## Direct Deposit Information

Sequence No.	Transit No.	Account No.	Checking?	Account Name	Amount Code	Amount	Prenote Date	Effective	Dates	Exclude Special
1.00	111111118	98463131	Yes	Geller, Monica A	%	100.00	01/08/2014	10/26/2013	to 12/31/2100	No



# W-2 Edit Report

## Company -CSR STORAGE COMPANY

CSR STORAGE COMPANY  
111 KEEP  
STORAGE, IL 11111

Please confirm all company and employee data.  
Return this report with any corrections plainly  
marked at your earliest convenience. Thank You.

AZ:  
FITW: 22-222222  
HISDI-E:  
KY: 22-222222  
NC: 123123123

CA:  
FITW45: 222222222  
IL: 22-222222  
KY-CUM1: 22-222222  
OH-COL1:

CT:  
HI:  
IL: 22-222222  
MO-STL1:  
PA-D040:

Department : D	Branch : 100	Division : 5020			
Beaufay, Phoebe Dawn ( 4)			Statutory: No	SSN: 323-25-2645	
9785 Sharon Amity Ln			Retirement Plan: No	Work State: NC	
Charlotte, NC 28211				Residence State: NC	
Department : D	Branch : 300	Division : 11			
Tribiani, Joseph A ( 5)			Statutory: No	SSN: 585-55-4544	
1615 Sunnyside AveApt 13A			Retirement Plan: <input checked="" type="checkbox"/> Yes *	Work State: NC	
Charlotte, NC 28204			(Roth 401k)	Residence State: NC	

Review the Retirement Plan check box (W-2 Box 13)

# Company Level Tax Audit

Tax Code	Tax Description	EIN	Start Date	End Date	Tax Rate
CA	California SITW		01/01/2014	12/31/2100	
CAETT	CA Edu & Training		01/01/2014	12/31/2100	0.001000
CASDI-E	CA SDI - Employee		01/01/2014	12/31/2100 ➤	0.010000
CASUI	California SUI		01/01/2014	12/31/2100 ➤	0.034000
CO-DEN2	Denver, CO	22-222222	01/11/2014	01/01/2100	
CT	Connecticut SITW		01/01/2014	12/31/2100	
CTSUI	Connecticut SUI		01/01/2014	12/31/2100 ➤	0.048000
FITW	Federal Income Tax	22-222222	01/01/1900	12/31/2100	

# Balance As You Go



## Wage and Tax Report:

Taxable Wages and Taxes = 941 Report

Report Total																
Employees	23	Code	Earning	Hours	Amount	Code	Deduction	Amount	Code	Tax	Taxable	Amount	Code	Tax	Taxable	Amount
Female	11	401km	401k Man		1025.46	125D	125 Denta	1265.00	FITW	Federal Incom	172476.70	26747.65	FUTA	Fed Unemplk	18147.54	108.88
Male	11	Auto	Auto		2500.00	125H	125 Health	2493.32	GA	Georgia SITV	8797.00	410.84	GAAST	GA Admin. s	2032.00	1.62
		GTL	Group Ter		44.69	125V	125 Visior	65.75	KS	Kansas SITV	21291.24	1108.00	GASUI	Georgia SUI	2032.00	53.24
		OT	Overtime	5.00	211.80	401k	401k	5786.27	MED	Medicare	178099.77	2582.40	KSSUI	Kansas SUI	2475.00	99.00
		Reg	Regular	5005.00	181753.60	Adv	Advance	-75.00	MO	Missouri SIT	52341.31	2360.00	MED-R	Medicare - E	178099.77	2582.44
						Auto	Auto out	2500.00	NJ	New Jersey S	37509.40	1277.09	MOAST	Missouri SUI	21726.05	0.00
						car	car allowa	-200.00	NJFLI-	NJ FLI - EE	0.00	0.00	MOSUI	Missouri SUI	21726.05	762.58
						Child	Child Sup	620.00	NJHI-E	NJ Healthcar	6989.40	0.00	MOSUR	MO Automai	21726.05	0.00
						GTL	Group Ter	44.69	NJSDI-	NJ SDI - EE	6989.40	34.95	NJHI	NJ Healthcar	6989.40	0.00
						Loan	401k EE I	60.00	NJSUI-	NJ SUI - EE	6989.40	26.74	NJHISP	NJ Healthcar	6989.40	0.00
						Loan2	EE Loan	470.00	NJWD	NJ Workforc	6989.40	2.97	NJSDI	New Jersey S	6989.40	34.96
									NY	New York SI	25186.56	1480.57	NJSUI	New Jersey S	6989.40	187.48
									NYSDI	NY Disabilit	0.00	8.40	NJWD	NJ Workforc	6989.40	8.20
									OK	Oklahoma SI	5664.00	236.00	NYCLA	NY Re-empl	0.00	0.00
									PA	Pennsylvania	22386.63	687.29	NYSUI	New York SI	0.00	0.00
									PASUI	PA SUI - EE	23092.00	18.47	OKSUI	Oklahoma SI	5930.00	88.96
									SS	OASDI	178099.77	7480.20	PASUI	Pennsylvania	4404.00	163.08
													SS-R	OASDI - Em	178099.77	11042.20
Total Earnings				5010.00	184510.09	Total Deductions		13030.03	Total Employee Taxes			44461.57	Total Employer Taxes			15132.64

### Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) . . . 1

2 Wages, tips, and other compensation . . . . . 2

3 Income tax withheld from wages, tips, and other compensation . . . . . 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax . . . . . ☐ Check and go to line 6e.

5a Taxable social security wages . . . . .  x .104 =

5b Taxable social security tips . . . . .  x .104 =

5c Taxable Medicare wages & tips . . . . .  x .029 =

For 2011, the employee social security tax rate is 4.2% and the Medicare tax rate is 1.45%. The employer social security tax rate is 6.2% and the Medicare tax rate is 1.45%.

5d Add Column 2 line 5a, Column 2 line 5b, and Column 2 line 5c . . . . . 5d

# Special W-2 Reporting

<http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

Deduction Type	W-2 Box
401(k)	Box 12 – Code D
403(b)	Box 12 – Code E
408	Box 12 – Code S
457	Box 12 – Code G
501	Box 12 – Code H
Employee Business Expense	Box 12 – Code L
Dependent Care	Box 10
Non Taxable 125	Wage Summary
Other Pre Tax	Wage Summary
Non-qualified 457 Distribution	Box 1, 16,18
Non-qualified Distribution	Box 11
Non Taxable Moving	Box 12 – Code P
Other Compensation	Box 14

Deduction Type	W-2 Box
Apply option 26 to NJ SIT Wages	
MSA – Employer Contribution	Box 12 – Code R
Adoption Benefit	Box 12 – Code T
Non-statutory Stock Option	Box 12 – Code V
HSA – Employer Contribution	Box 12 – Code W
409A Non-qualified deferral	Box 12 – Code Y
409A Non-qualified income	Box 12 – Code Z
Roth 403(b)	Box 12 – Code BB
Roth 401(k)	Box 12 – Code AA
Health care costs – Employee	Box 12 – Code DD
Health care costs – Employer	Box 12 – Code DD
Roth 457(b)	Box 12 – Code EE
Group Term Life Insurance	Box 12 – Code C

# Fringe Benefits

W-2 Box: 1, 3, 5



- Memberships to health or country clubs
- Company-paid airfare for personal use
- Non-business expenses
- Personal use of a company car (not 100% personal)

TIP: Fringe benefits not itemized on W-2 but included in box 1, 3, 5.

# Section 125 Plans – Cafeteria Plans

- Dependent Care: Box 10
- Adoption Benefit: Box 12 Code T
- Health Savings Accounts: Box 12 Code W
  - Employer Contribution
  - Employee Deduction (if part of 125 Plan)
- Health Care Costs
  - Employee - Box 12 Code DD
  - Employer - Box 12 Code DD





# Group Term Life Insurance

- GTL > \$50,000
- Taxable for Social Security & Medicare
- May be taxable for SIT, SDI and/or Local
- Included in Box 1 Wages, Tips and Other Comp
- Included in Box 12 Code C
- Preferred method of input is to calculate with each pay period





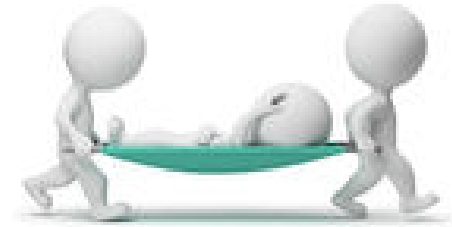
# Excludable Moving Expense

- Deduction Setup:
  1. Non-qualified - Taxable to employee
  2. Qualified – Exempt from taxation
    - W-2 Box 12 Code P



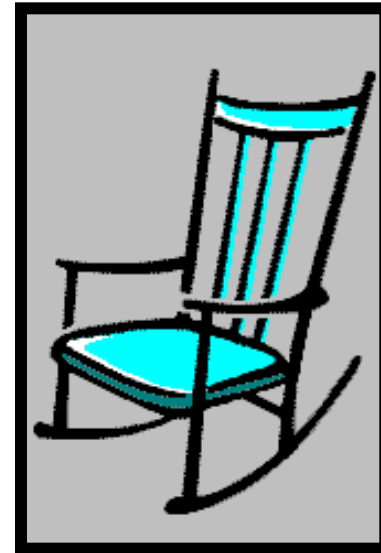
# Third Party Sick Pay

- Payments and taxes must be reported on 941
- W-2 Box 12J for Non-Taxable Portion
- W-2 Box 13 Check Box
- W-2 Box 14 (Optional)
- Who is doing the 3PSP W-2?
  - You or the vendor
    - If You = Communicate with payroll provider
  - Be aware of the cut-off dates in filing
- IRS Publication 15-A
  - Employer's Supplemental Tax Guide



# Deferred Compensation

- 401(k) – Box 12 Code D
- 403(b) – Box 12 Code E
- 408(k)(6) – Box 12 Code F
- 457 – Box 12 Code G
- 501(c)(18)(d) – Box 12 Code H



# Roth 401(k) or 403(b)

## After-tax 401(k) and 403(b) plans

- Contributions are taxed out of current earnings
- Annual deferral limit on 401(k) contributions and catch-up applies to combined amount of standard pretax and Roth 401(k) deductions
- W-2 Box 12
  - 401(k) with code AA
  - 403(b) with code BB



# Deferred Compensation Limits

- **Automatic Deferral Limit (\$18,000)**
  - Deduction stops when YTD deduction reaches limit
- **Catch-Up Limit (\$6,000)**
  - Employees aged 50 or over and participates in plan
- **Compensation Limit (\$265,000)**
  - Deduction stops when YTD earnings reaches limit or when deferral limit is met (whichever occurs first)
- **Mid-year limits?**
  - Limit keyed lower than federal limit
  - Example:
    - New Hire on 6/1/current year
    - 401(k) contribution from prior employer: \$8,000
    - 401(k) deduction setup with a limit of \$10,000
      - Current year information will be correct.
      - What about employee's deduction record for next year?
      - Check your limits!



# W-2 Box 13: Retirement Plan Indicator

## Form W-2 Box 13 Retirement Plan Checkbox Decision Chart

Type of Plan	Conditions	Check Retirement Plan Box?
Defined benefit plan (for example, a traditional pension plan)	Employee qualifies for employer funding into the plan, due to age/years of service – even though the employee may not be vested or ever collect benefits	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan, a Roth 401(k) or 403(b) account, but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year	No
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee is eligible to contribute and elects to contribute money in this tax year	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee is eligible to contribute but does not elect to contribute any money in this tax year, but the employer does contribute funds	Yes
Defined contribution plan (for example, a 401(k) or 403(b) plan; a Roth 401(k) or 403(b) account; but not a 457 plan)	Employee contributed in past years but not during the current tax year under report	No (even if the account value grows due to gains in the investments)
Profit sharing plan	Plan includes a grace period after the close of the plan year when profit sharing can be added to the participant's account	Yes

- Each active participant covered by qualified plan via employee or employer contribution at any time during the year
- Contact CPA, tax attorney or advisor if unsure
- <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

# Know Your Dates & Deadlines

Item	Date	Complete
Training Events		
Submit Projects to Payroll Provider		
Open Enrollment Deadline		
W-2 Hold Request Deadline		
QE/YE filings and deposit dates		
Adjustment Run Deadline		
Print of W-2s		
Adjustment Run: Requires W-2C & Amendments		
Delivery of W-2s		
Train Employees to Access W-2s Online		



**TIP:**  
Setup a reminder in Outlook Calendar to review check list.



# Holidays Observed by Federal Reserve



Holiday	Date	Day	Federal Reserve Bank Holiday	Payroll Processor
Thanksgiving -2015	11/26	Thurs	Closed	Closed
Christmas - 2015	12/25	Fri	Closed	Closed
New Years	1/1	Fri	Closed	Closed
Martin Luther King	1/18	Mon	Closed	
Presidents' Day	2/15	Mon	Closed	
Memorial Day	5/30	Mon	Closed	Closed
Independence Day	7/4	Mon	Closed	Closed
Labor Day	9/5	Mon	Closed	Closed
Columbus Day	10/10	Mon	Closed	
Veteran' s Day	11/11	Fri	Closed	
Thanksgiving	11/24	Thurs	Closed	Closed
Christmas	12/26	Mon	Closed	Closed

# Year-Round Checklist: Ongoing Tasks



Task
Review last year's checklist. Create a copy for a starting point for this year.
Bookmark website resources now. It will be make research easier later.
Request updates to General Ledger.
Review and request updates for Payroll System Reporting.
Review and request necessary updates to Personal Time Off programs.
Establish a year-end team. Invite representatives from HR, benefits, finance/accounting, accounts payable, and IT and your mailroom.
Education: Attend training class or webinars. Review documents, job aids, and websites.

Task
Add new deductions.
Verify the employee name and address on the Form W-2.
List of Employee Names to verify that names are formatted correctly and consistently.
List of Employee Addresses to verify that addresses are formatted correctly and consistently.
Review tax id #s and rates. Report any situations with your payroll provider.
Review how to use your Tax Online services.
Non-Tax Service customers: Verify that all federal, state, and local details are correct.
Balance your Excel spreadsheet to your payroll register grand totals page for month-end.

# Year-Round Checklist: Quarterly Tasks

Task
Check out the latest compliance updates.
Tax: Review QE reports.
Balance your audit spreadsheet to all of your quarterly tax reports.
Request an outstanding check list to date. Research any checks more than 30 days outstanding.
Balance Box 1, 3, 5 – W-2.
Balance Box 12 – W-2 – Deferred Compensation.
Check Box 13 – W-2 for accuracy.
Balance Box 12 – W-2 Code C – W2GRP.
Balance Box 12 – W-2 Code P – Excludable Moving Expense.
Balance and verify Third-party Sick Pay W-2.
Review terminated employees W2 data.



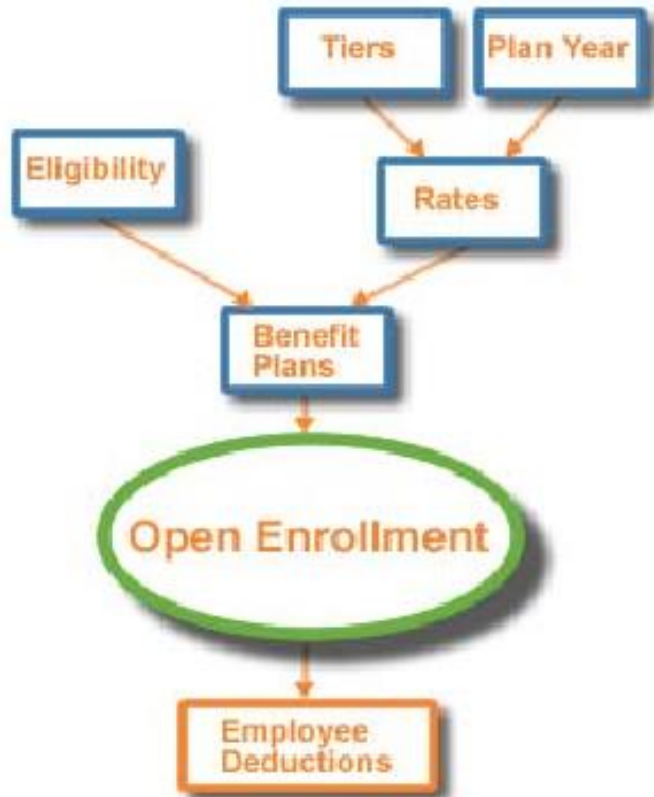
# Year-Round Checklist: Year-End Tasks



Task
Communicate all necessary changes to your payroll provider that will affect year-end or the new year.
Research and plan for new limits.
Review the holiday and banking schedules for the new year.
Remind employees to verify W-2 information with a paycheck message or in a company newsletter, break room poster...
Verify Form W-2 and any changes.

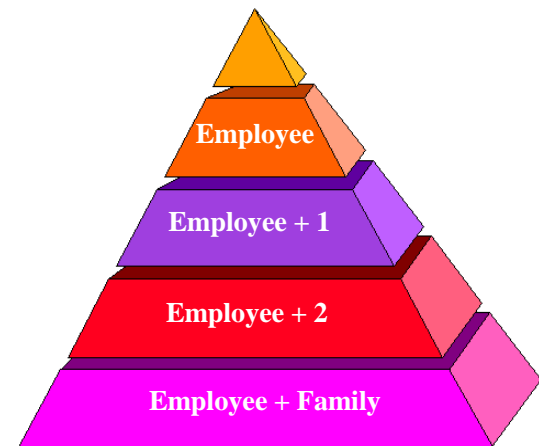
Task
Review the timing for W-2 information with third-party sick pay vendor.
Plan ahead for special processings. Need an adjustment or bonus run?
Make sure all wage and tax errors or out of balance Tax situations are cleared.
Holding W-2 Print? Verify when to submit the W-2 Hold with payroll provider.
Verify deductions with limits Develop a plan for entering new limits
Implement Timekeeping system changes.

# Benefit Open Enrollment



## ► Company-Level

- Carriers
- Tiers
- Eligibility Rules
- Rates
- Plan Setup
- Deduction Setup



# Year-Round Checklist: Open Enrollment - Company



Task: Open Enrollment – Company Level
Setup new plan year.
Review tiers and age-bands.
Review eligibility rules.
Review plan rates.
Review carrier information.
Review benefit plans. <ul style="list-style-type: none"><li>• Update current plans.</li><li>• Add new plans.</li><li>• Archive old plans.</li></ul>
Review benefit deductions.
Add new plans and deductions.
Create/customize enrollment forms.
Create/update benefit reports.



# Year-Round Checklist: Open Enrollment - Employee

Task: Open Enrollment – Employee Level
Provide open enrollment packet.
Post open enrollment deadline reminders.
Hold benefit meetings.
Review employee data to ensure coverage amounts will be calculated correctly.
Calculate benefit choices available and generate open enrollment forms.
Review enrollment forms submitted.
Enroll employees in benefits for new year.
Audit! Audit! Audit!
Print confirmation statements. Do you require a signed copy return?
Add/update/stop benefit deductions.
Audit! Audit! Audit!





# Year-Round Checklist: Year-Begin Tasks

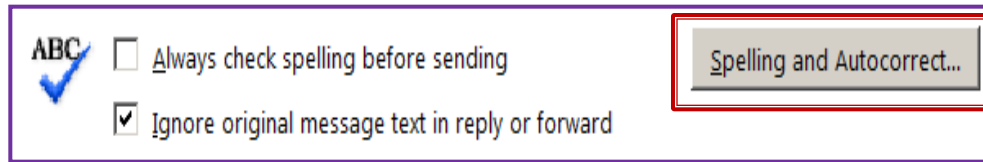
Task
Update manual limits and adjustments for the new year. Example: FSA, United Way, Accruals for Vacation, Sick, Holiday.
IT: Updates! IT: Back up, back up, back up!
Plan your first payroll of the year: <ul style="list-style-type: none"><li>■ Enter and verify all changes.</li></ul>



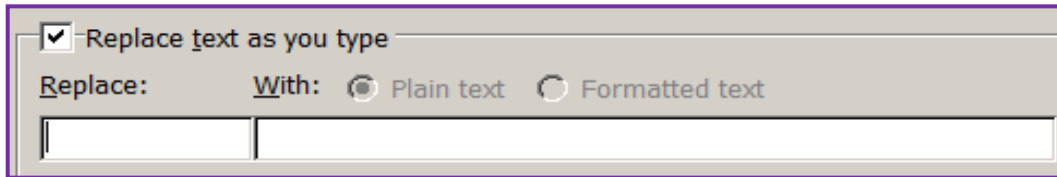
# Make the Most of Your Workday

## Microsoft: Options > Spelling & Autocorrect

To increase typing speed and accuracy of words, company name, application names, terminology and phrases used frequently.



ABC ☐ Always check spelling before sending **Spelling and Autocorrect...**  
☒ Ignore original message text in reply or forward



☒ Replace text as you type  
Replace: With: ☒ Plain text ☐ Formatted text  
[Empty text box] [Empty text box]

recieve → receive

anme → name

js → John Smith

apa → American Payroll Association

s&m → Sales & Marketing

prd → Payroll Department

prm → Payroll Manager

cn → Company Name Inc.

cnw → www.companyname.com

# Make the Most of Your Workday

## Microsoft: Options

- Customize the Toolbar for quicker navigation



### Tip:

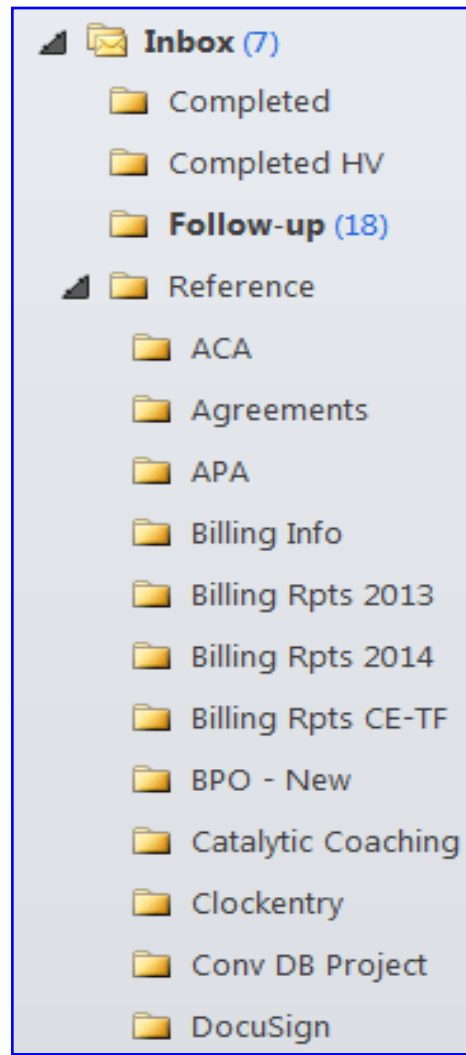
Use export option to save your customized toolbar.  
If lose toolbar, you can import to reinstate.



# Make the Most of Your Workday

## Microsoft Outlook

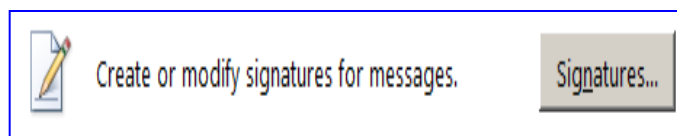
- Create folders to organize emails



# Make the Most of Your Workday

## Microsoft Outlook: Options

- ▶ Auto Signatures: To save time in email replies

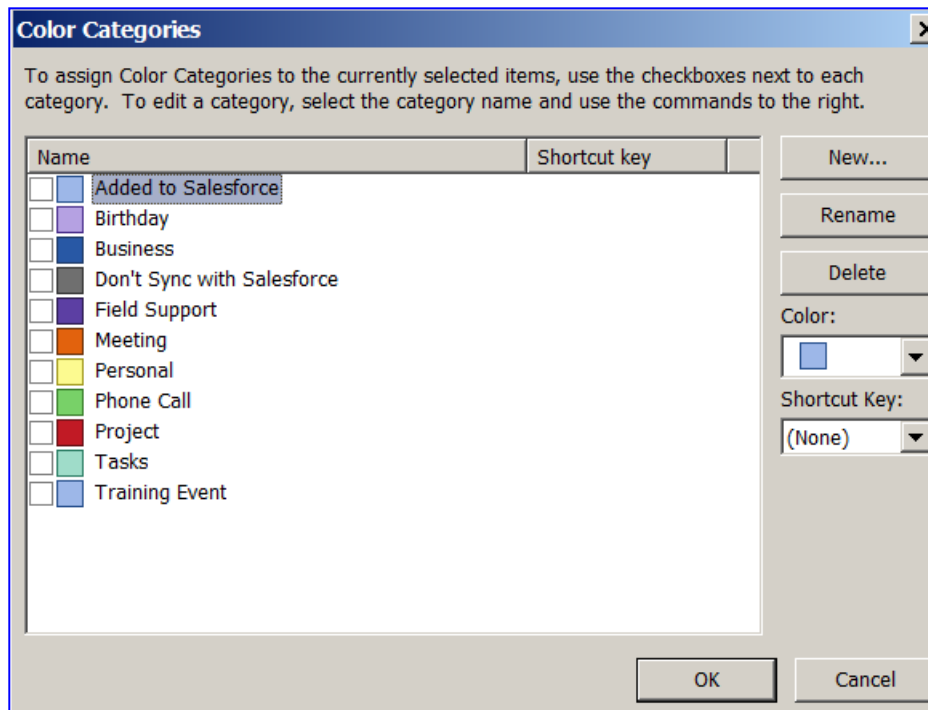
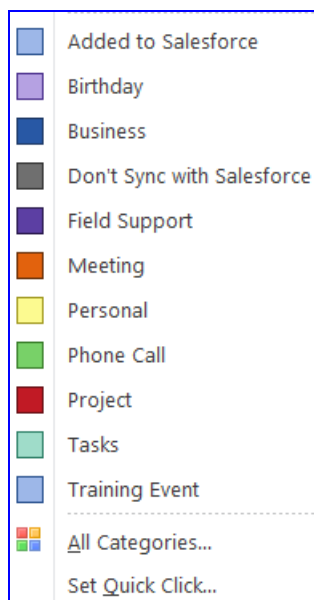
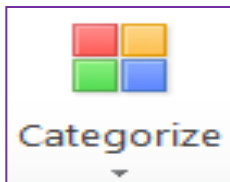


Dear X,  
Thank you for your email. Your request will be processed and you will receive a follow-up within 48 hours.

Sincerely,  
Payroll Department

# Make the Most of Your Workday

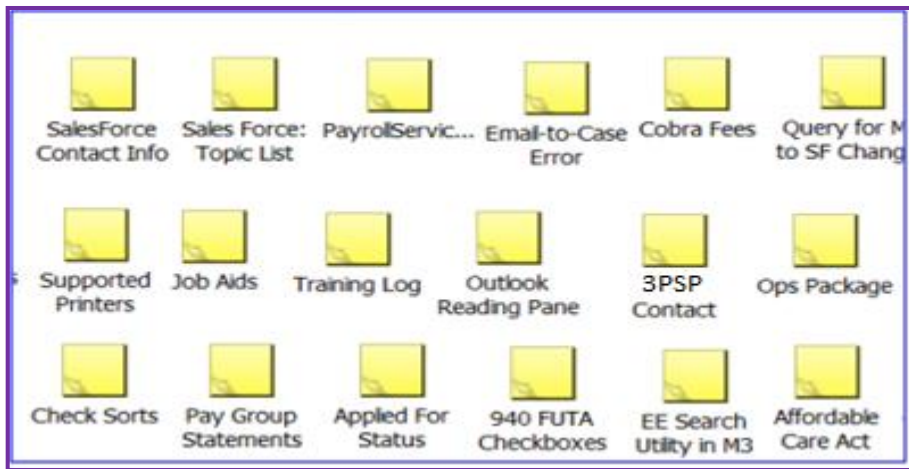
Microsoft Outlook: Create categories to help organize and search for emails



# Make the Most of Your Workday

## Microsoft Outlook: Notes

For quick reference of logins, references, contacts, websites



### Login Info Example

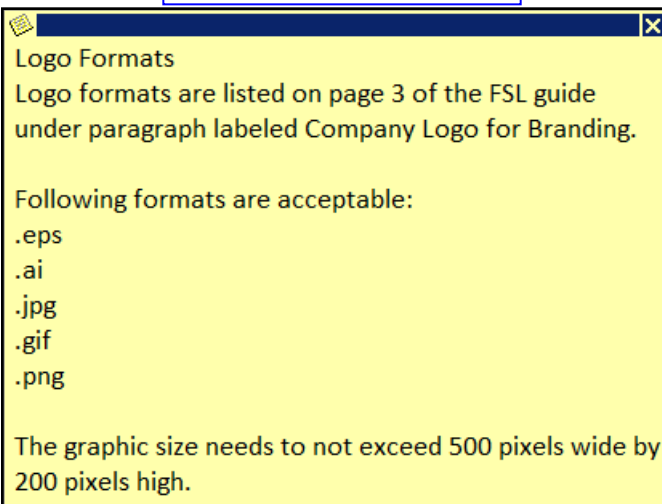
APA Site/Login

americanpayroll.org

U: 99599

P: favorite cartoon (clue)

### FYI Note Example



### Website Info Example

IRS e-News Groups

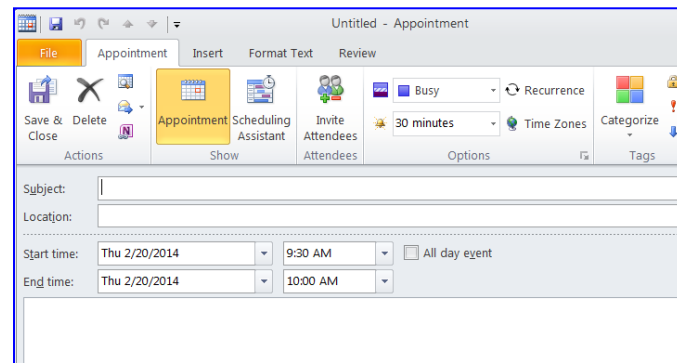
<http://www.irs.gov/uac/e-News-Subscriptions-2>



# Make the Most of Your Workday

## Microsoft Outlook: Shortcut Keys

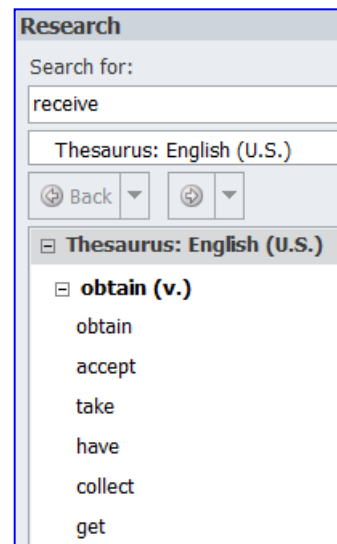
- |                   |                              |
|-------------------|------------------------------|
| ■ Control/Enter   | Sends email you're composing |
| ■ Control/R       | Reply                        |
| ■ Control/F       | Forward                      |
| ■ Control/D       | Delete                       |
| ■ Control/N       | New email                    |
| ■ Control/Shift/A | New appointment              |
| ■ Control/Shift/Q | Meeting Request              |
| ■ Control/1       | Toggle to Mail               |
| ■ Control/2       | Toggle to Calendar           |
| ■ Control/3       | Toggle to Contacts           |
| ■ Control/4       | Toggle to Tasks              |
| ■ Control/5       | Toggle to Notes              |
| ■ F7              | Spell Check                  |



# Make the Most of Your Workday

## Microsoft Word and Excel: Shortcut Keys

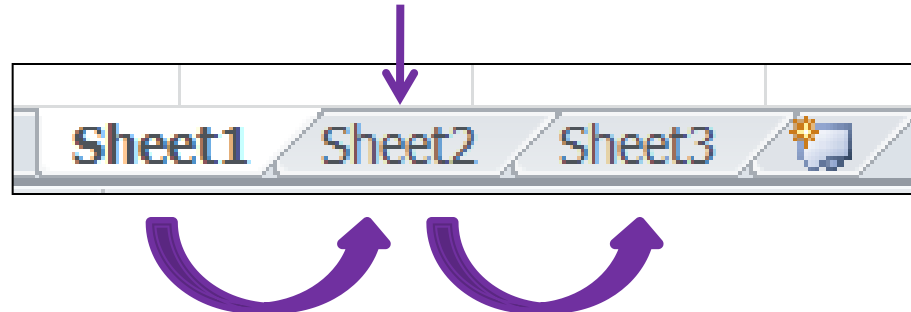
- |                   |                    |
|-------------------|--------------------|
| ■ Shift/F7        | Thesaurus          |
| ■ Control/A       | Select All         |
| ■ Control/B       | Bold               |
| ■ Control/I       | Italicize          |
| ■ Control/U       | Underline          |
| ■ Control/G or F5 | Go To dialog box   |
| ■ Control/P       | Print document     |
| ■ Control/F2      | Print preview      |
| ■ Control/S       | Save the document  |
| ■ Control/W       | Close the document |
| ■ Control/Z       | Undo               |
| ■ Control/Y       | Redo               |



# Make the Most of Your Workday

## Microsoft Excel: Shortcut Keys

- |                                |   |
|--------------------------------|---|
| ■ Control/F9                   | Minimize current window                         |
| ■ Control/Space                | Selects entire column                           |
| ■ Shift/Space                  | Selects entire row                              |
| ■ Control/Shift/*              | Selects the region around the active cell       |
| ■ Alt/Page Up or Page Down     | Moves one screen to right or left               |
| ■ Control/Shift/Home           | Extend selection to beginning of worksheet      |
| ■ Control/Shift/End            | Extend selection to last used cell on worksheet |
| ■ Control/Page Up or Page Down | Moves between tabs within Excel spreadsheet     |



# Make the Most of Your Workday

## Microsoft Word: Shortcut Keys

■Control/1	Single space
■Control/2	Double space
■Control/5	1.5 space
■Control/Shift/<	Decrease font size one value
■Control/Shift/>	Increase font size one value
■Control/[	Decrease font size 1 point
■Control/]	Increase font size 1 point
■Control/Shift/F	Change Font
■Shift/F3	text → Text → TEXT → text



# Fun!

- Pizza party
- Ice cream break
- Trivia
- Toys
- Stress-busters



# Fun Dates

- What holiday is celebrated on...

Date	Holiday
11/9	Chaos Never Dies Day
11/15	Clean Your Refrigerator Day
11/30	Stay At Home Because Your Well Day
12/7	Cotton Candy Day
12/8	Brownie Day
12/9	Pastry Day
12/16	Chocolate Covered Anything Day
12/21	Look on the Bright Side Day



# Recap

- ▶ Plan for Year-End and Year-Begin now
- ▶ Create Pro-Active Year-Round Checklist and Team
- ▶ Review activities and processes
- ▶ Communicate internally and externally
- ▶ Attend training
- ▶ Resources: Know where to look for answers
- ▶ Understand the W-2
- ▶ Audit! Audit! Audit!
- ▶ Life/Work balance







**Thank You!**



