

# Year End 2018 Newsletter

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Dear Client,

**Please read this newsletter carefully and keep it for reference. We ask that you also provide a copy of this newsletter to your CPA as it contains important information to help prepare for the busy months ahead. If you have any questions, please contact your Payroll Specialist.**

### Important Key Dates to Remember:

This chart is provided as a quick reference to important dates that you will need to be aware of throughout year end. Additional information is detailed within the newsletter.

<b>December 26, 2018</b>	<b>Cut Off Date for Voided &amp; Manual Checks to be reported.</b>
<b>December 31, 2018</b>	<b>Cut Off Date to Process Bonus Payrolls &amp; Fringe Benefits.</b>
<b>December 31, 2018</b>	<b>Processing of year-end W-2/1099 Information.</b>
<b>January 15, 2019</b>	<b>Date insurance companies have until to report benefits paid to employees for the prior tax year.</b>
<b>January 18, 2019</b>	<b>Date credit reduction amount will be debited from Tax Service Clients.</b>
<b>January 20, 2019</b>	<b>Delivery of W-2/1099 information begins.</b>
<b>January 31, 2019</b>	<b>Deadline to distribute W-2/1099 Forms (as applicable) to recipients.</b>
<b>January 31, 2019</b>	<b>IRS due date for all paper &amp; electronic Form W-2/1099-MISC filing.</b>
<b>March 4, 2019</b>	<b>Deadline to distribute 1095 Forms (as applicable) to recipients.</b>

### Review Employee/Company Information:

Please review your employee information, including names, addresses, and social security numbers. If you would like us to send you a report to assist you in verifying this information, please contact your Payroll Specialist. This information is vital to ensuring timely and efficient year end processing. **Missing and incorrect information can result in penalties.** Also review your federal and state identification numbers. **If we do not have the correct ID numbers, please notify us immediately. It is important to have correct numbers so as not to incur penalties.**

### Email Contact Information Needed:

If you have not already provided your Payroll Specialist with your email address, please do so. This enables us to keep you up to date with important payroll related information.

### Employee Social Security Tax Percentage & Wage Base Info:

Effective January 1, 2019, the Employee and Employer Social Security Withholding Tax (OASDI) taxable wage base increases to \$132,900. The Employee and Employer Medicare Tax percentage remains the same at 1.45% with no wage base limit. The Employee and Employer Social Security Withholding Tax (OASDI) percentage remains at 6.2%.

### Additional Medicare Tax:

There is an additional Medicare tax of .9% on wages paid in excess of \$200,000 in a calendar year. For additional information regarding this, please refer to:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Questions-and-Answers-for-the-Additional-Medicare-Tax>.

### Withholding Table Changes:

Please note that many agencies change their withholding tables at the beginning of the year; therefore, employees may notice a difference in their withholding with their first payroll check in 2019.

### 401K Maximum Contribution Amount for 2019:

The maximum 401K contribution amount for 2019 is \$19,000 (the 2018 maximum contribution amount is \$18,500). The maximum 401K catch-up contribution per year, for those over 50 years old, is \$6,000 for 2019.

### IRS Federal Tax Deposit Notice:

In November 2018, the IRS mails a deposit frequency notice to all employers who have a change in their deposit frequency for 2019. If you receive one of these notices, please send us a copy so we can update your file. **We do not automatically receive this information from the IRS.**

**State Unemployment Insurance Rates for 2019:**

As soon as you receive a notice from the state regarding your unemployment tax rate for 2019, please forward it to USA Payroll. This information is very important to ensure that your 1<sup>st</sup> quarter 2019 return and payments are accurate and to avoid underpayments and/or overpayments. Typically, state agencies send this information to you by February 2019. **We do not automatically receive this information.** Note: The NYS SUI Wage base is increasing to \$11,400 for tax year 2019.

**Wage Theft Prevention Act (WTPA) for New York Reminder:**

For New York, specific information is required to be provided to employees at the time of hire (before work is performed). Please ensure that your company is in compliance with these requirements. Refer to the Announcements and Payroll Forms Section of our website at [www.usapayroll.com](http://www.usapayroll.com) for detailed information and the forms needed to comply with the act. To learn more about additional states that have specific employee notice requirements in your jurisdiction, visit your state's Department of Labor website.

**States with 2018 Federal Unemployment Tax Act (FUTA) Credit Reductions:**

The IRS has released the credit reduction states for Schedule A Form 940 (Multi-State Employer and Credit Reduction Information) for 2018. Employers in 'credit reduction' states must calculate a credit reduction as an adjustment to their Federal Unemployment Tax (FUTA) on their 2018 Form 940 (Employer's Annual Federal Unemployment Tax Return). Credit reduction states are states that did not repay the money they borrowed from the federal government to pay unemployment benefits.

For 2018, employers in this state must reduce their 5.4% credit on their Form 940 by the following amounts:

<b>State and Credit Reduction:</b> Virgin Islands 2.4%
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The reduction in this credit will cause an increased payment due for Federal Unemployment Tax for form 940 for tax year 2018. In an effort to assist you with estimating the amount of increased tax that will be due, employers can take their Federal Unemployment Taxable wages for the 2018 tax year and multiply them by the percentage of the credit reduction for the applicable state. For example, for the states listed, the amount is calculated on the first \$7,000 in earnings with a maximum additional tax of \$168.00 per employee.

**As a result, you will receive notification from us of any additional amounts due relating to the credit reduction. If you are on our Tax Service, USA Payroll will DEBIT your bank account for the increased tax amount on or around January 18, 2019 and as applicable, your last billing invoice in January will include an additional one-time \$20 fee for the FUTA collection and remittance.**

**Equal Employment Opportunity Reminder:**

Private employers (with more than 100 employees) and federal contractors (with 50 or more employees and a contract of at least \$50,000) are required to file an EEO-1 Report with the Equal Employment Opportunity Commission (EEOC) annually. If you meet the requirements for this and would like assistance with the EEO-1 Report in the future, please inform your Payroll Specialist. For additional information regarding this, please refer to:

<https://www.eeoc.gov/employers/eeo1survey/faq.cfm#WhoFiles> or contact the EEOC at 866-286-6440.

**New York Paid Family Leave Act Updates and Other State Information with Paid Leave:**

Effective January 1, 2019, the number of weeks that eligible employees can take to bond with a new child, care for a sick family member, or assist loved ones when a family member is deployed abroad on active military service **increases to 10 weeks.**

The number of weeks employees can take will continue to rise through 2021, at which time employees will be able to take up to 12 weeks of job-protected, paid time off to be there for family when they are most needed.

In 2019, employees taking Paid Family Leave will receive **55% of their average weekly wage**, up to a cap of 55% of the current Statewide Average Weekly Wage of \$1,357.11. The **maximum weekly benefit for 2019 is \$746.41.**

**Benefits Increase Through 2021**

<b>Year</b>	<b>Weeks of Leave</b>	<b>Benefit</b>
2019	10 weeks	55% of employee's AWW, up to 55% of SAWW
2020	10 weeks	60% of employee's AWW, up to 60% of SAWW
2021	12 weeks	67% of employee's AWW, up to 67% of SAWW

**New York Paid Family Leave Act Updates and Other State Information with Paid Leave (continued):**

New York State Paid Family Leave (PFL) law provides partial income replacement and job protection while workers are on leave for covered reasons, such as bonding with their child (during the first 12 months following the birth, adoption, or fostering of a child), caring for a close relative with a serious health condition, or helping relieve family pressures when someone is called to active military service. Employees on PFL are also guaranteed to be able to return to their job and continue their health insurance. If employees contribute to the cost of their health insurance, they must continue to pay their portion of the premium cost while on PFL. The program is mandatory for all private employers, and public employers may opt-in.

Employees may take the maximum benefit length in any given 52-week period. The 52-week clock starts on the first day the employee takes Paid Family Leave.

New York Paid Family Leave is insurance that may be funded by employees through payroll deductions. In 2019, the contribution is 0.153% of an employee's gross wages each pay period. The maximum annual contribution is \$107.97. Employees earning less than the current Statewide Average Weekly Wage of \$1,357.11 will contribute less than the annual cap of \$107.97, consistent with their actual wages.

Paid Family Leave coverage will be included under the disability policy all employers must carry. The premium will be fully funded by employees through payroll deductions.

**Important reminder: If you currently employ high school students, please inform your Payroll Specialist.**

Employers are required to inform their employees about their rights under Paid Family Leave, either in an employee handbook or other written materials. To assist you, please refer to the following links:

<https://www.ny.gov/sites/ny.gov/files/atoms/files/1711-PFL-271SFormFill.pdf>

[https://www.ny.gov/sites/ny.gov/files/atoms/files/PFL\\_Employer\\_Lang\\_hb\\_v1.pdf](https://www.ny.gov/sites/ny.gov/files/atoms/files/PFL_Employer_Lang_hb_v1.pdf)

<https://www.ny.gov/new-york-state-paid-family-leave/paid-family-leave-forms-employees-employers-and-insurance-carriers>

For more information, please refer to the agency website at: [www.ny.gov/paidfamilyleave](http://www.ny.gov/paidfamilyleave) and <http://www.wcb.ny.gov/PFL/pfl-regs.jsp> or contact the Paid Family Leave Helpline at 844-337-6303. Additional information is also on our website at: <https://usapayroll.com/new-york-paid-family-leave-update-for-2019>.

**Other State Information:**

Please also refer to our website for additional links and references to assist regarding other state new and updated paid family leave information: <https://usapayroll.com/paid-family-medical-leave-update>.

**New York State Sexual Harassment Prevention Training Information:**

Effective October 9, 2018, ALL employers in NYS are required to meet the mandates included in the state's new Sexual Harassment Prevention Law. Every employer in NYS regardless of size or number of employees, is required to provide all employees with Sexual Harassment Prevention training annually, and the training must meet or exceed the state-mandated standards. This training must initially be provided by October 9, 2019.

We will be offering training sessions at our new location at:

Eagle's Landing Business Park  
1565 Jefferson Road, Suite 210  
Rochester, NY 14623

If you are interested in the training that is being offered through USA Payroll, please contact Alison Lombard at [alison@drivenhr.com](mailto:alison@drivenhr.com) for additional information or you can schedule training for your company, by visiting: <http://contact.drivenhr.com/s3/NYS-Sexual-Harassment-Training>

The cost of the NYS compliant training seminar is:

- \$65 per person at our USA Payroll corporate office location.
- \$65 per person via live, interactive streaming of a training event at our location for our clients outside the Rochester area.
- \$65 per person with a minimum of 10 participants at your location.

For additional information, please refer to our website at:

<https://usapayroll.com/new-sexual-harassment-prevention-law-applies-to-all-new-york-state-employers>.

**Minimum Wage Changes:**

Employers are required to comply with wage and hour laws that regulate minimum wage. The minimum wage is the lowest rate that employers are permitted to pay their non-exempt employees. In some cases, the state and federal minimum wage will differ, and the employer must pay the higher of the two. **Please note, USA Payroll automatically updates the minimum wage rate per hour for the entire pay period of your first check date in 2019 unless otherwise specified.**

Several states will be having changes to their minimum wage. Please refer to the following chart as a reference for information available at this time. In order to ensure compliance, updated posters must be posted in a central location at your place of business for employees to reference. Labor posters can be obtained on the agency websites when they are available. Posters can also be ordered through your Payroll Specialist by subscribing to our Labor Law Compliance Program or through our website at <http://usapayroll.com/labor-poster>.

State	2019 (rates are per hour)
Alaska	\$9.89
Arizona	\$11.00
Arkansas	\$9.25
California	\$12.00 for employers with 26 or more employees; \$11.00 for employers with 25 or less employees.
Colorado	\$11.10
Delaware	\$8.75
Florida	\$8.46 and \$5.44 for tipped employees. Link for poster information: <a href="http://www.floridajobs.org/business-growth-and-partnerships/for-employers/display-posters-and-required-notice">http://www.floridajobs.org/business-growth-and-partnerships/for-employers/display-posters-and-required-notice</a>
Georgia	No Changes Link for poster information: <a href="https://dol.georgia.gov/gdol-required-workplace-posters">https://dol.georgia.gov/gdol-required-workplace-posters</a>
Maine	\$11.00 and \$5.50 for tipped employees.
Massachusetts	\$12.00 and \$4.35 for tipped employees.
Minnesota	\$9.86 for larger employers with \$500K in gross annual sales; \$8.04 for employers with less than \$500K in gross annual sales.
Missouri	\$8.60 and \$4.30 for tipped employees.
Montana	\$8.50
New Jersey	\$8.85
New York	\$11.10 on 12/31/18 (varies by location). Link for poster and more details on the increases, refer to: <a href="https://www.labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm">https://www.labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm</a> and <a href="https://labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm">https://labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm</a> <ul style="list-style-type: none"> <li>The executive and administrative exemption minimum weekly salary required is increasing from \$780.00 to \$832.00 effective 12/31/18. Varies by location – for additional information, refer to: <a href="https://www.labor.ny.gov/formsdocs/wp/Part142.pdf">https://www.labor.ny.gov/formsdocs/wp/Part142.pdf</a>.</li> <li>The New York State minimum wage for tipped employees is \$7.50 per hour and the tip credit is \$3.60. Varies by location – for additional information, refer to: <a href="https://labor.ny.gov/formsdocs/wp/Part146.pdf">https://labor.ny.gov/formsdocs/wp/Part146.pdf</a>.</li> <li>The basic minimum wage for fast food employees will be \$15.00 in New York City and \$12.75 everywhere else.</li> </ul> Additional information can be found here: <a href="https://www.labor.ny.gov/workerprotection/laborstandards/labor_standards.shtm">https://www.labor.ny.gov/workerprotection/laborstandards/labor_standards.shtm</a>
Ohio	\$8.55 for employers that gross \$305K in annual sales and \$4.30 for tipped employees.
Rhode Island	\$10.50
South Dakota	\$9.10 and \$4.55 for tipped employees.
Vermont	\$10.78 and \$5.39 for tipped employees.
Washington	\$12.00

Note: This chart does not reflect *specific* monetary values for minimum wages for local jurisdictions (city, county, districts), tipped wages, child labor laws, etc.

**Affordable Care Act (ACA) Compliance Reminders:**

For detailed information on navigating the ACA employer mandate, please refer to the Resources Section of our website at [www.usapayroll.com](http://www.usapayroll.com).

**Determining Full Time Equivalents:** USA Payroll offers payroll reports to assist with the determining full time equivalents. If you would like a report generated, please contact your Payroll Specialist for details.

**Pediatric Dental Requirement:** Pediatric Dental is one of the 10 Essential Health Benefits required by the ACA for dependents under the age of 19. To be compliant with the ACA, employers are required to offer pediatric dental coverage. Please keep in mind that USA Payroll offers plans to keep your company compliant.

**Summary of Benefits and Coverage:** You are required to hand out this specific benefit plan information to enrolled employees at the following times: during Open Enrollment, when an employee first becomes eligible for health insurance, and within seven (7) days of receiving a request.

Contact your carrier or broker for plan summaries specific to your company. Please contact USA Payroll Benefit Services if we are your benefits broker as we will be happy to assist.

There are no longer pre-existing condition exclusions for health insurance and there is a 90 day maximum waiting period for new hire benefit eligibility allowed for coverage.

**ACA General Information:**

Employers with a Health Reimbursement Account (HRA) that is not offered in conjunction with a high deductible plan must comply with ACA regardless of size.

Employers with a self-insured plan and that are not an Applicable Large Employer (50 Full-Time equivalents or more) must provide employees with a 1095-B.

The IRS deadline for applicable large employers (those with 50 or more full-time or full-time equivalent employees) to distribute Form 1095-C to employees is March 4, 2019. This also applies to small employers with self-funded plans, who have until March 4, 2019 to distribute Form 1095-B to employees. Employers must file the 2018 Forms 1094-B and 1095-B (for small employers with self-funded plans) or Forms 1094-C and 1095-C (for applicable large employers) with the IRS by February 28, 2019, for paper filing, or April 2, 2019, if filing electronically. If you are utilizing the ACA Services of USA Payroll, we will file form 1094-C with the IRS electronically on your behalf. Employers with fewer than 50 full-time or full-time equivalent employees are not subject to these reporting requirements or to the ACA mandate itself. If you need assistance with ACA services, please contact USA Payroll.

**Affordable Care Act (ACA) Recordkeeping Information:**

Employers subject to the Affordable Care Act (ACA) requirements (employers with 50 or more full-time and full-time equivalent (FTE) employees) should be maintaining a secured monthly compliance binder or shared file of all of their records relating to the ACA requirements in the event of an audit. For additional information, please refer to: <http://usapayroll.com/aca-import-recordkeeping>.

**Definition of "Group Health Insurance":**

New York State defines a "group" for group health insurance based off of who is **enrolled** in coverage. The Affordable Care Act and New York State insurance law include a requirement that a company must have at least **one common-law employee** enrolled in order to be considered "Group Coverage". Generally, a common-law employee is anyone who performs services for an employer, and receives wages, if the employer can control what the employee does and how it is accomplished. A common-law employee does not include the sole proprietor or a partner of a business or a spouse of the sole proprietor or partner.

**Employee Health & Dental Deduction Information:**

In order to best serve our clients and to ensure the accuracy of your company's health and/or dental deductions, please obtain the Employee Health & Dental Deduction Form from our website under the Forms & Information section of our website. **Please be informed that your deductions will not be updated until you submit this form to your Payroll Specialist prior to your first payroll check date of the 2019 New Year.**

**Remote Clients:** This form does not need to be submitted to USA Payroll if you are making the changes yourself.

**Flexible Spending Accounts for 2019:**

The maximum yearly allowable amount is \$2700 for 2019. Employers may allow a rollover of up to \$500 from one plan year to the next or a grace period of two months and fifteen days. Otherwise, any unused amounts are forfeited. The maximum allowed amount is in addition to any unused balance carried over. Plans who already have adopted the grace period are NOT permitted to adopt the rollover provision. If you would like to make changes to your plan, please confer with your Plan Administrator.

**New York City Commuter Transit Benefit Mandate:**

The Affordable Transit Act requires employers (not including government employers) with 20 or more full-time employees in New York City to provide full-time employees a pre-tax qualified transportation benefit program (excluding parking subsidies). For additional information regarding this law, refer to:

<http://www1.nyc.gov/site/dca/about/commuter-benefits-FAQs.page>.

**Health Savings Account (HSA) Information for 2019:**

**SINGLE CONTRIBUTION LIMIT (< 55 yrs old):** \$3500

**FAMILY CONTRIBUTION LIMIT (< 55 yrs old):** \$ 7000

**HSA CATCH UP CONTRIBUTIONS:** \$1,000 (\$2,000 if both spouses are 55 or older)

**HIGH DEDUCTIBLE HEALTH PLAN ANNUAL DEDUCTIBLE MINIMUM:** \$1,350 for single & \$2,700 for family

**HIGH DEDUCTIBLE HEALTH PLAN ANNUAL DEDUCTIBLE MAXIMUM OUT OF POCKET:** \$6,750 for single & \$13,500 for family

Note: The Employee Direct Deposit Authorization Agreement Form for HSAs can be found on our website.

**Reporting of Aggregate Cost of Employer-Sponsored Health Insurance Coverage in Box 12 Using Code DD (The Affordable Care Act):**

The IRS has provided transitional relief from this requirement for small employers for the 2018 tax year. For W-2s issued for tax year 2018, an employer is not subject to the reporting requirement if the employer was required to file fewer than 250 W-2s for the previous calendar tax year. This relief will apply to future calendar years until the IRS publishes additional guidance. However, any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued.

If you need to report this information on W-2s for tax year 2018 and are not already reporting this through your payroll, please use the Health Insurance Tracking Form found under the Forms & Information section of our website to provide the information to your Payroll Specialist prior to your last payroll of the year for 2018.

**Form W-2 Box 14 Reporting:**

The IRS allows employers to use Form W-2, Box 14 (Other) for informational purposes to label items specific to their payroll based on employee deductions (i.e. amounts for charitable contributions, united way, union dues). These types of deductions are not required on the W-2. However, some employers like to show this information for the convenience of their employees.

**If you or your accountant would like information to print in Box 14, inform your Payroll Specialist.** Please review the Earning & Deduction (E/D) title you use. The title should be as descriptive as possible as it will be the wording used to print in Box 14. For example, an E/D labeled "Misc" may not be sufficient to substantiate a charitable contribution. Your Payroll Specialist can change your E/D title if needed. You may have up to four items listed in Box 14.

**Voided Checks & Manual Checks for 2018 – December 26<sup>th</sup> Cut-Off Date:**

If you have voided any checks written in 2018 that have not been reported to USA Payroll, please forward that information to your Payroll Specialist by **December 26, 2018**.

Likewise, if you have written any manual checks with 2018 check dates that have not been reported to USA Payroll, please forward that information to your Payroll Specialist by **December 26, 2018** as well to avoid additional fees.

**Payroll Tax Deposits for Non-Tax Service Clients:**

If you pay your own taxes and have deviated from any of our payroll tax deposit notices, please inform your Payroll Specialist immediately. Accurate amounts and deposit dates are essential when completing Federal and State Forms.

**Bonus Payrolls/Fringe Benefits – Please Provide Information 3 Days Prior to Processing Date:**

USA Payroll has a policy requiring the completion of specific forms in order to process bonus payrolls, fringe benefits (i.e. S-Corp Insurance, Group Term Life, etc.), and late payrolls (**2018 payrolls processed after noon on 12-31-18**). This helps ensure the accurate processing of these types of payrolls by your Payroll Specialist. **We need the enclosed forms signed and returned to us before these special year end payrolls can be processed.** If you need to process one of these types of payrolls, please fill out the appropriate enclosed form and return it to your Payroll Specialist as soon as possible. Please let your Payroll Specialist know if you have any questions when filling out these forms.

**Pricing for W-2's, 1099-Misc & 1095 Forms and Processing Information:**

The charge for 2018 employee W-2 and 1099-Misc forms is \$50.00 per client and \$4.75 per employee. USA Payroll uses state of the art Laser Sealed W-2 and 1099 forms. These forms ensure 100% security since they do not require an envelope with a window and all sensitive information is sealed inside the form before it is sent to you.

Please note, there is an additional processing fee to enter 1099's at the end of the year if it is not done with a scheduled payroll run. We will generate 1099-MISC forms for recipients earning \$600 or more for the year. However, please inform your Payroll Specialist in writing before the end of the year if you would like 1099-MISC forms for recipients earning less than \$600 for the year.

The charge for 2018 1095 forms (if applicable) is \$5.00 per return. These returns will be processed in early January and the information will be available via the employee portal/electronically.

**We plan to process W-2/1099 information on approximately December 31, 2018. Therefore, if you have any adjustments after this date, your information would need to be re-processed and you will incur additional fees.**

**FedEx Ground & Post Office Deliveries for Payrolls:**

If your payroll is delivered via FedEx Ground or the Post Office, please ensure that you provide us with your payroll information in advance during the Christmas and New Year holiday weeks to avoid possible delivery delays due to inclement weather, increased shipping volumes, and special holiday hours.

**W-2/1099 & 1095 - Year End Delivery Process for Tax Service Clients:**

Employee copies of W-2's/1099's will begin being delivered via FedEx Ground or UPS Ground the week of January 13<sup>th</sup> unless you normally pick up your payroll or have a PO Box. As a Tax Service client, you will have access to all of your quarterly and annual return information electronically allowing you to confidentially view and print copies of your payroll returns at any time that is convenient for you. We no longer print paper copies of the quarterly or annual tax returns. You will be notified via email when your copies of your year-end returns are available to access electronically. Please note, as part of the Tax Service, USA Payroll files your original returns on your behalf.

1095's (if applicable) will begin being delivered via FedEx Ground the week of January 13, 2019.

**W-2/1099 & 1095 - Year End Delivery Process for Non-Tax Service Clients:**

Employee copies of W-2's/1099's and the rest of the quarterly and year end reports will be sent in two separate packages. All W-2's/1099's will begin being delivered via FedEx Ground or UPS Ground the week of January 13<sup>th</sup> unless you normally pick up your payroll or have a PO Box. The quarterly and year end returns as well as the employer copies of the W-2's/1099's will be sent under separate cover, using the same delivery method as your regular payroll (Fed Ex Ground, delivery, pick up, mail, etc.).

1095's (if applicable) will begin being delivered via FedEx Ground the week of January 13, 2019.

**Third Party Sick Pay (Disability):**

By law, insurance companies have until January 15, 2019 to report to you any disability insurance benefits paid to your employees during 2018. If you have not already done so, please tell your insurance company that we will include third party sick pay on the W-2 forms that we prepare for you. Should you receive notification of these payments after reporting your last payroll for the year, please contact your Payroll Specialist immediately. If you have already received your W-2's and year end reports, we will make the adjustment and reprint the affected reports for a nominal fee; **however, you will need to complete the enclosed Backdated Payroll Form and return it to us.**

**It is very important to ensure that Third Party Sick Pay information is submitted to your Payroll Specialist as soon as it is received to avoid having to pay an additional fee to amend returns that may have already been filed on your behalf.**

**Holiday Hours (Please remember to plan ahead for the holidays):**

<b>Friday, December 21, 2018</b>	Open 8:00 am - 4:00 pm
<b>Monday, December 24, 2018</b>	Open 8:00 am - 4:00 pm
<b>Tuesday, December 25, 2018</b>	Closed
<b>Friday, December 28, 2018</b>	Open 8:00 am - 4:00 pm
<b>Monday, December 31, 2018</b>	Open 8:00 am - 5:00 pm
<b>Tuesday, January 1, 2019</b>	Closed

**\*Note:** Throughout 2019, whenever a holiday falls on a Monday, we will be open from 8:00 am to 3:00 pm on the preceding Friday.

**Banking Holidays Observed by the Federal Reserve Board for 2019 - 2020:**

For holidays falling on Saturday, Federal Reserve Banks and Branches will be open the preceding Friday; however, the Board of Governors will be closed. For holidays falling on Sunday, all Federal Reserve offices will be closed the following Monday. If your employees have direct deposit, there could be a delay in employees receiving their deposits timely depending on when you process your payroll.

Prior to the holiday week, please discuss with your Payroll Specialist how the banking holiday may affect your payroll. This will ensure that your payroll is handled the way that you would like it over banking holidays (i.e. live checks, processing your payroll sooner, etc.).

<b>Holiday</b>	<b>2019</b>	<b>2020</b>
New Year's Day	January 1	January 1
Birthday of Martin Luther King, Jr.	January 21	January 20
Washington's Birthday	February 18	February 17
Memorial Day	May 27	May 25
Independence Day	July 4	July 4*
Labor Day	September 2	September 7
Columbus Day	October 14	October 12
Veterans Day	November 11	November 11
Thanksgiving Day	November 28	November 26
Christmas Day	December 25	December 25

\*The Board of Governors is closed on July 3, 2020.

**Products and Services Offered by USA Payroll:**

For a complete listing of products and services offered by USA Payroll, please refer to our website at: **[www.usapayroll.com](http://www.usapayroll.com)**.

If you have any questions regarding any of this information, please inquire with your Payroll Specialist during your next scheduled payroll.

**Best wishes for a Happy Holiday Season!**





Company Name \_\_\_\_\_

Client# \_\_\_\_\_

Contact Name \_\_\_\_\_

Phone# \_\_\_\_\_

Specialist \_\_\_\_\_

Date \_\_\_\_\_

## Bonus Payroll Form

If you will be running a bonus payroll, please return this form to your Payroll Specialist at least 3 business days before the payroll will be called in. Sending bonus amounts in writing is best to ensure efficient processing.

**Direct Deposit:** If your bonus checks will be direct deposit, please report your bonus run at least three business days before the check date.  
**Keep In Mind:** Once you process a bonus payroll, the bonus amount will appear in the year-to-date section on all subsequent checks. Therefore, if you are handing out live checks you may want them to be processed on a separate run from your regular payroll. If you have questions about this, please contact your Payroll Specialist.

**I plan to process a bonus payroll:**

Check Date: \_\_\_\_\_ Call In Date: \_\_\_\_\_

- I'm not sure when we will run the bonuses, but I will call as soon as I know for sure.
- I want a separate payroll run for my bonuses.
- I want to run separate bonus checks with my normal payroll run.

**Please note, when calculating bonus amounts, they need to be reported as gross amounts (amount prior to taxes withheld). If you would like an employee to receive a specific net amount as their bonus, then the bonus amount would need to be 'grossed' up to incorporate the applicable taxes being withheld (your Payroll Specialist can assist you with this if needed).**

**Taxing Options:**

- Regular Taxes (based on our normal payroll frequency)
- Regular Taxes (based on our normal payroll frequency, but not including additional federal and state overrides)
- Tax at a different frequency (i.e. Monthly, Quarterly, etc.)  
Specify frequency to be used: \_\_\_\_\_
- FICA Only (Federal and State will be blocked, only the minimum mandatory taxes will be taken)
- Supplemental Taxes (current Federal Supplemental Tax Rate and applicable state, local and FICA)

**Payroll Options:**

- Gross amounts provided – deduct taxes.
- Net amounts provided – gross up for taxes and specify which taxes.
- Block Direct Deposit (all live checks)
- Block all deductions
- Block all deductions except pension (i.e. 401k, SIMPLE, 403b, etc.)
- Block ESS/VMR if applicable. Discuss options with your Payroll Specialist.

Client Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Company Name \_\_\_\_\_

Client # \_\_\_\_\_

Contact Name \_\_\_\_\_

Phone # \_\_\_\_\_

Specialist \_\_\_\_\_

Date \_\_\_\_\_

## Additional Taxable Income & Qualified Pension Plans

### Additional Taxable Income

In addition to regular wages, the IRS requires other forms of income to be reported as taxable wages on W-2's. Some examples are Group Term Life Insurance, Personal Use of a Company Car, S-Corp Insurance, etc. **If you need to report any additional taxable income, please return this form to your specialist at least 3 business days before the payroll needs to be processed. Please allow enough time to process these items with a scheduled pay run so that the appropriate taxes can be withheld from the employee's check if applicable.**

PC Input/Remote Clients: If you plan to enter these additional amounts yourself and would like assistance or need to have new codes set up, please contact your Payroll Specialist.

**I will be reporting additional taxable income for 2018** (check all that apply):

- Group Term Life Insurance (over \$50,000 coverage)
- Personal Use of a Company Car
- S-Corp Health Insurance
- Other Fringe Benefits (some examples below)
  - Allocated Tips
  - Dependent Care
  - Moving Expenses
  - Uncollected FICA

**Your Payroll Specialist will contact you for further details.**

### Qualified Pension Plan

If you have a pension plan that is 100% employer paid (no employee contributions through payroll), the pension box must be flagged in our system to show on the W-2. **If this applies to you, please complete the section below and return this to your Payroll Specialist at least 3 business days before the end of the quarter.**

**We have an employer paid pension plan (no payroll deductions):**

- All of our employees are covered by this plan.
- I will send you a list of employees covered by this plan.



Attention: \_\_\_\_\_

## Back Dated Payrolls

Company Name: \_\_\_\_\_ Date: \_\_\_\_\_ Co. ID: \_\_\_\_\_

Due to the timing of my adjustments, I understand that USA Payroll cannot guarantee timely deposits of taxes. USA Payroll will make every effort to deposit the tax liabilities timely; however, should penalties and/or interest be incurred, I absolve USA Payroll and accept responsibility for those charges.

Check Date \_\_\_\_\_ Quarter/Year \_\_\_\_\_ Processing Date \_\_\_\_\_

### Tax Jurisdiction: (Check all that apply)

- \_\_\_ Federal Withholding – approximate liability \$ \_\_\_\_\_
- \_\_\_ Federal Unemployment Insurance \$ \_\_\_\_\_
- \_\_\_ Social Security/Medicare – approximate liability \$ \_\_\_\_\_
- \_\_\_ State Withholding – approximate liability \$ \_\_\_\_\_
- \_\_\_ State Unemployment/State Disability \$ \_\_\_\_\_
- \_\_\_ City/County/School District Withholding \$ \_\_\_\_\_

### The reason for the adjustment or late deposit: (Check all that apply)

- \_\_\_ Manual Checks/Void Checks
- \_\_\_ Bonus Payroll
- \_\_\_ Incorrect Prior Balances
- \_\_\_ One-Time Schedule Change
- \_\_\_ Wrong SUI Code
- \_\_\_ Third Party Sick Pay
- \_\_\_ Wrong State Code
- \_\_\_ GTL Adjustments

Other (please describe): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Corporate Officer

\_\_\_\_\_  
Print Name and Title

\*\*\*\*\*

### USA Payroll Use Only

Payroll Specialist \_\_\_\_\_ Form Used as: \_\_\_\_\_ PNF \_\_\_\_\_ Absolution Letter (Requires Client Signature)

Date Client Notified \_\_\_\_\_ Specific Reason: \_\_\_\_\_

Client Contact Name \_\_\_\_\_

Payroll Run # \_\_\_\_\_

Week #/Payroll # \_\_\_\_\_ Branch Manager Signature \_\_\_\_\_ Date \_\_\_\_\_