With year-end quickly approaching, now is the time to begin compiling information, verifying employee information, and ensuring W2 data is accurate. To help in achieving this task, PayData has created the Year-End Survival Guide.

Please review this guide for important check lists and crucial year-end dates.
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Year-End Reminders

DELIVERY –
- PayData CANNOT track your payroll when it is sent via US Mail. We STRONGLY advise switching to an alternate method through the holidays.
- W2s and Q4 Quarterlies will be sent together via a trackable courier service unless you subscribe to our VMR (electronic reporting) service. In that case, the quarterlies will be sent electronically and the W2s will come separately by trackable courier. Contact your Client Service Representative if you are interested in our VMR service.

COMMUNICATE -
- Not sure how to do something? Call or email us and we will work with you to make sure things are done correctly.
- Errors - If you suspect that something is not correct, notify us immediately so we can put your year-end on hold and correct the issue.
- Who Am I - When sending information to PayData, remember to identify your company name, account number and Client Service Representative’s name. ex I am calling from ABC Company, company number 9999.
- Ask your CPA – If you are unsure whether or not you will need to post any additional items for this year-end, double check with your CPA; they are a valuable resource.

HOLIDAYS –
- Check your payroll schedule to determine if your normal check dates will be impacted by the holiday. Call your Client Service Representative if you are unsure.
- 48 Hour Rule - Keep in mind that all payrolls must be processed by 1:00pm, two business days prior to your check date. Holidays and weekends do not count as one of those days.

AUDIT –
- Payroll – Please review your payroll as soon as you get it. Let us know immediately of any errors.
- Disability leave - Double check that all of your disability/3rd party sick payments have been posted in the year that they were paid to the employee.
- Taxable Benefits - Do you need to post Group Term Life, Shareholder Insurance, Employer HSA contributions, Employer Health Insurance?
- HSA - Double check that all direct deposited HSA contributions were successfully transferred.

CHECK IT OFF –
- Please keep our year-end calendar handy to verify dates and deadlines! Cross out items when they have been completed.
# Employer Check List – Things you need to do

<table>
<thead>
<tr>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
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</thead>
<tbody>
<tr>
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<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>You will receive a W2 Edit List with your payroll closest to Nov 1st.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<td>9</td>
</tr>
<tr>
<td></td>
<td>Watch mail for Disability notices regarding printing 3PS W2s. Tell them not to print the W2s.</td>
<td>Verify your call in and/or check date for Veterans Day.</td>
<td></td>
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<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
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<tr>
<td></td>
<td>Veteran’s Day</td>
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<tr>
<td></td>
<td>Federal Reserve is Closed</td>
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<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Verify your call in and/or check date for Thanksgiving.</td>
<td></td>
<td></td>
<td></td>
<td>Contact your CPA – Do you need to post any 2% Shareholder insurance?</td>
<td></td>
</tr>
<tr>
<td>24</td>
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<td>29</td>
<td>30</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Thanksgiving Day Holiday</td>
<td>PayData Closed</td>
<td>Get new W4 from employees claiming Exempt.</td>
</tr>
<tr>
<td>Sunday</td>
<td>Monday</td>
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<tr>
<td></td>
<td></td>
<td>Record Retention Form Due Social Security Verification Deadline.</td>
<td></td>
<td></td>
<td>Notify CSR if you need PayData to print 1099s.</td>
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<tr>
<td>8</td>
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<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>W2 Edit List Due with Changes.</td>
<td></td>
<td>Notify CSR of additional 2013 payrolls.</td>
<td>Notify CSR if you need PayData to print 1099s.</td>
<td></td>
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<tr>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
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<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Verify your call in and or check date for the Christmas Holiday.</td>
<td>Notify CSR of 2014 company changes ex Ins premiums, TOA, benefit changes, HSA/401k limits.</td>
<td>VT Healthcare Changes for Q4 due today.</td>
<td>Notify CSR if you need to hold 2013 open for additional payrolls or 3PS postings.</td>
<td></td>
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<tr>
<td>22</td>
<td>23</td>
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<td>25</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Verify your call in and or check date for New Year’s Day Holiday.</td>
<td>Verify that all voids and manual checks have been posted in 2013.</td>
<td>Christmas Day Holiday PayData Closed</td>
<td></td>
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<td>29</td>
<td>30</td>
<td>31</td>
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<tr>
<td></td>
<td></td>
<td>All payrolls processed after today will result in tax penalties.</td>
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<td>Sunday</td>
<td>Monday</td>
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<td><strong>3</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>New Year's Day Holiday</strong></td>
<td><strong>PayData to begin processing 2013 Quarter 4 tax returns.</strong></td>
<td><strong>Last possible deposit date for timely 2013 941 taxes.</strong></td>
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<tr>
<td></td>
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<td></td>
<td><strong>PayData Closed</strong></td>
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<td><strong>5</strong></td>
<td><strong>6</strong></td>
<td><strong>7</strong></td>
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<td><strong>10</strong></td>
<td><strong>11</strong></td>
</tr>
<tr>
<td></td>
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<td></td>
<td><strong>PayData to begin processing 2013 W2s.</strong></td>
</tr>
<tr>
<td><strong>12</strong></td>
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<td><strong>14</strong></td>
<td><strong>15</strong></td>
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<td><strong>17</strong></td>
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</tr>
<tr>
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<td></td>
<td><strong>PayData to begin shipping 2013 W2s and Quarterlies.</strong></td>
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<tr>
<td><strong>19</strong></td>
<td><strong>20</strong></td>
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<td><strong>23</strong></td>
<td><strong>24</strong></td>
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</tr>
<tr>
<td></td>
<td><strong>Martin Luther King Jr. Day.</strong></td>
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<tr>
<td><strong>Federal Reserve is Closed</strong></td>
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<td><strong>26</strong></td>
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<td><strong>28</strong></td>
<td><strong>29</strong></td>
<td><strong>30</strong></td>
<td><strong>31</strong></td>
<td><strong>W2s due to employees.</strong></td>
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</table>
2014 Payroll Reminders

2014 HOLIDAY CHECK DATES

Even though your local bank may be open, the Federal Reserve is closed on the dates identified below. If your check date falls on one of these days YOU MUST CHANGE IT.

Please take a moment to look at your 2014 payroll schedule to determine if you are affected by these dates. If so, work with your Client Service Representative to adjust your call in, fax or submission date, as well as your check date. Please remember that you must process your payroll by 1:00pm two business days prior to your check date. Staff reminder calls to clients are done as a courtesy and may not always be possible during peak productions times.

The Federal Reserve will be closed on the following days: ▲ = Federal Reserve CLOSED

▲ January 1st, 2014 - New Year’s Day

▲ January 20th, 2014 – Martin Luther King Day

▲ February 17th, 2014 - President’s Day

▲ May 26th, 2014 - Memorial Day

▲ July 4th, 2014 - Independence Day

▲ September 1st, 2014 - Labor Day

▲ October 13th, 2014 - Columbus Day

▲ November 11th, 2014 – Veterans Day

▲ November 27th, 2014 Thanksgiving Day

▲ November 28th, 2014 – Day After Thanksgiving

▲ December 25th, 2014 – Christmas Day

IMPORTANT TAX DATE –
January 3rd, 2014 - This is the last possible deposit date for 2013 federal withholding.

Any 2013 deposit made later than January 3rd, 2014 will incur penalties.

The last possible day to process payrolls dated for 2013 and not incur penalties is December 31st, 2013. After this date, tax penalties WILL result.
Payroll Preparation for 2014

2014 MINIMUM WAGE - As of 01/01/14  Batch clients: please notify your Client Service Representative for all employee changes. **We will not automatically change employee rates of pay.** Remote clients: it is your responsibility to make all necessary employee changes. Refer to PayData’s website for assistance with global rate changes.

** Rates of Pay are Subject to Change by State. Watch for updates on PayData’s website [www.paydata.com](http://www.paydata.com)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Tipped</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vermont:</td>
<td>$8.60</td>
<td>$8.73</td>
<td>Vermont:</td>
<td>$4.17</td>
<td>$4.23</td>
</tr>
<tr>
<td>New York:</td>
<td>$7.25</td>
<td>$8.00</td>
<td>New York:</td>
<td>$5.12</td>
<td>$5.87</td>
</tr>
<tr>
<td>New Hampshire:</td>
<td>$7.25</td>
<td>$7.25</td>
<td>New Hampshire:</td>
<td>$3.27</td>
<td>$3.27</td>
</tr>
<tr>
<td>Massachusetts:</td>
<td>$8.00</td>
<td>$8.00</td>
<td>Massachusetts:</td>
<td>$2.63</td>
<td>$2.63</td>
</tr>
</tbody>
</table>

**Vermont Employers**

**Important**  **Vermont employers are still required to contribute into the Catamount Health Assessment regardless of whether or not they are using the Vermont Health Connect exchange for their employee’s insurance.** Don’t forget that a new employee Health Declaration of Coverage Form needs to be completed each year. You can find the Employee Declaration form and information on the VT Healthcare Determination process on our website at [www.paydata.com](http://www.paydata.com) under the Resource Center – PayData Forms – New Employer Forms.

**New York Employers**

All employees need to be provided with an annual statement regarding the Wage Theft Prevention Act.

**COMPANY AND GLOBAL CHANGES**

If you need to make any company or global changes for 2014, you must notify us by December 12th.

Failing to notify us by this date will result in delays in processing these changes and additional fees may apply. Examples of global changes are:

* Changing department structure
* Changing Time Off Accrual
* GL restructure
* Change to employee scheduled EDs for insurance premiums; pension and HSA contribution limits
* If you are adding new benefits to your company, please notify your Client Service Representative to ensure that the correct earnings or deduction codes are in place.

**TIME CLOCK CALENDARS**

Many of PayData’s time clock solutions utilize calendars to track when a holiday is set to occur. These holidays allow the user to apply different rules to hours that occur on those days. Please let your Client Service Representative know if you are making any changes to your holiday schedules for 2014.
PAYROLL ADJUSTMENTS

Remote Users:
* Confirm that all in-house manual checks have been posted to the system by December 24th.
* Confirm that all voided checks have been entered into the system by December 24th.

Phone, Fax, evoClock, eSheet clients:
* Notify your Client Service Representative of any manual checks or voids that need to be processed before your last payroll in December.

* Confirm that all Disability payments have been posted into 2013. You cannot hold 2013 payments and post them in 2014.

* Don’t Delay! Talk to your Accountant now — Do they have any Year End adjustments that you need to post for 2013?

Examples of Year End adjustments are 2% Shareholder Insurance, ER HSA contributions, ER Health Insurance.

Notify your Client Service Representative immediately if you determine that you will need to post additional information.

BONUS PAYROLL & SPECIAL PAYROLLS
If you plan to process any additional or bonus payrolls, please contact your Client Service Representative by December 13th for scheduling and return the enclosed Supplemental/Bonus Payroll Request Form. This will enable us to work with you to set up a Payroll Check Template.

Why use a check template?
- ...dictate which scheduled earnings or deductions are being withheld from the checks.
- ...establish how Federal, State and Local taxes are withheld or blocked.
- ...exclude certain scheduled earnings or deductions from being taken on the checks.
- ... save time and eliminate errors.

More information on setting up and using templates can be found on our website. Go to www.paydata.com and click on the ‘Resource Center’, and access the Template Setup-Form under PayData Forms -Payroll Forms.

PLEASE be aware that check templates do not look at reciprocal state settings. Any employee with a reciprocal state set up will need to be adjusted manually in the payroll.

REMOTE USERS: To set up a new payroll check template or to review an existing template, go to; Company-Payroll Defaults-Payroll Check Templates.
**TAXABLE BENEFITS**

Group Term Life, Shareholder Insurance, Stock Options, Moving Expenses and Taxable Auto are all examples of perks or benefits which are taxable to the employee. Taxable Benefits need to be posted within a regular payroll so that the employee’s taxes can be calculated and there are funds from which the taxes can be withheld. Failure to do so will result in the employee’s taxes being out of balance and a correction run having to be processed. This can result in additional fees and potential penalty charges.

To eliminate the year-end rush to post these items, you can post your Taxable Benefits regularly throughout the year but no later than your last scheduled payroll in December. This will allow us time to make adjustments if something isn’t posted correctly.

For more information on how to post Taxable Benefits, visit our website at [www.paydata.com](http://www.paydata.com). Once you are there go to the Resource Center – PayData Forms and under How-Tos, select the appropriate document. Please contact your Client Service Representatives if you need a password to access the documents.

**TO PREVENT ERRORS**

**REMOTE USERS:**

The number one reason for payroll errors is not proofing your totals. Before you click the submit button, go to the ‘earnings and deductions’ tab in payroll entry. ALWAYS review and verify. In addition, make sure that the batch beginning, ending and check dates are correct. Please call PayData if you find any discrepancies and are unsure of how to correct them. Please remember to submit by 1pm for same day processing.

**BATCH USERS:** (Payroll submitted via fax, email, e-sheet, call in):

Totaling and providing your hours to PayData is crucial to ensuring that payroll is entered accurately. Make sure that you are conveying to us what the period beginning, ending and check dates should be. This should be done prior to submitting your payroll to PayData. Please remember that your payroll must be received by 1pm for same day processing.

If you have employees who are here on a VISA, make sure that you have accurate Social Security Numbers. Double check the VISA expiration dates and types to ensure proper taxation.

**940 CREDIT REDUCTION STATES  * As of October 18, 2013**

The 2013 standard FUTA rate is 6.0% on the first $7,000 of wages. Employers in most states receive a credit of 5.4% against the rate, resulting in a net tax of .6%. However, some states have Federal Unemployment Trust Fund loans that are still outstanding. As a result, these states will not be able to take the full amount of the credit and will see an increase in the Federal Unemployment tax.

The IRS cannot determine which states will be Credit Reduction States until the fourth quarter as states have until the end of the year to pay back the loan.

Credit Reduction States as of October 18, 2013:

<table>
<thead>
<tr>
<th>Arizona</th>
<th>Delaware</th>
<th>Kentucky</th>
<th>New York</th>
<th>South Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>Florida</td>
<td>Missouri</td>
<td>North Carolina</td>
<td>Virginia Islands</td>
</tr>
<tr>
<td>California</td>
<td>Georgia</td>
<td>Nevada</td>
<td>Ohio</td>
<td>Wisconsin</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Indiana</td>
<td>New Jersey</td>
<td>Rhode Island</td>
<td></td>
</tr>
</tbody>
</table>

Once the Quarter 4 returns are processed, a second step occurs to calculate the additional FUTA due for those clients in a credit reduction state. This will result in an additional ACH debit to your account. Please watch for notification of this additional tax debit.
FRIENDLY DELIVERY REMINDER

In order to keep your scheduled check date and ship your payroll out same day, PayData must receive it no later than 1PM two business days prior to check date. If your payroll is submitted after 1pm on the day it is scheduled to ship, your check date may be changed. Please note Priority Mail and First Class Mail are not trackable and are not guaranteed next day delivery. We STRONGLY advise switching to an alternate method through the holidays.

If you normally pick up your payroll from our office, the following deadlines exist:
Submit by 9:00 AM / Pick up after 2:00 PM         Submit by Noon / Pick up next day after 8:30 AM

Please communicate to your Client Service Representative if there are any permanent road closures in your area due to regional weather.

Thank you for your support

AFFORDABLE CARE ACT
The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Both the employee and employer amounts should be reported together in Box 12 DD of the Form W2. The IRS guidelines indicate that the ‘employer sponsored coverage’ is defined as coverage under a group health plan that the employer makes available to the employee that is non-taxable to the employee. Outlined below are just a few of the coverage types and their reporting requirements. For questions and answers on Employer Reporting Requirements as well as a full listing of exempted coverage go to www.irs.gov and search for Affordable Care Act.

<table>
<thead>
<tr>
<th>Coverage Type</th>
<th>Form W-2, Box 12, Code DD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major medical</td>
<td>X</td>
</tr>
<tr>
<td>Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts</td>
<td>X</td>
</tr>
<tr>
<td>Health Savings Arrangement (HSA) contributions (employer or employee)</td>
<td>X</td>
</tr>
<tr>
<td>Domestic partner coverage included in gross income</td>
<td>X</td>
</tr>
<tr>
<td>Governmental plans providing coverage primarily for members of the military and their families</td>
<td>X</td>
</tr>
<tr>
<td>Federally recognized Indian tribal government plans and plans of tribally charted corporations wholly owned by a federally recognized Indian tribal government</td>
<td>X</td>
</tr>
<tr>
<td>Accident or disability income</td>
<td>X</td>
</tr>
<tr>
<td>Long-term care</td>
<td>X</td>
</tr>
<tr>
<td>Liability or Supplemental liability insurance</td>
<td>X</td>
</tr>
<tr>
<td>Workers' compensation</td>
<td>X</td>
</tr>
<tr>
<td>Health insurance premiums for shareholder-employee, included in gross income</td>
<td>X</td>
</tr>
</tbody>
</table>
MAXIMUM OASDI WAGE LIMIT – Oasdi is 6.2%

2014 - The OASDI wage limit for 2014 will increase to $117,000.00. This is up from $113,700 in 2013. The Maximum OASDI tax paid by employees will be $7,254.00 in 2014.

MEDICARE WAGE LIMIT – Medicare is 1.45%

There is no wage limit on Medicare Taxes. Additional Medicare Tax of .9% on all employees wages over $200,000 will continue for 2014. The Additional Medicare Tax is not matched by the employer.

Employer Federal Unemployment Tax rate is 6.2% for 2014.

SIMPLE PLAN

2014 - Simple employee contribution plan limit remains the same at $12,000 for 2014. For employees aged 50 and over, the Simple employee catch-up contribution limit is $2,500.00 which is unchanged from 2013. Catch-up contributions are not automatically matched by the employer. Please check your plan documents for confirmation.

401K & 403B & 457

2014 - Employee contribution limits to 401K, 403B or 457 plans remain the same at $17,500 in 2014. For employees aged 50 and over, the employee catch-up contribution limit is $5,500 which is unchanged from 2013. Catch-up contributions are not automatically matched by the employer. Please check your plan documents for confirmation.

Note – The Federal Maximum wage limit for ER Match is $255,000 for 2014.

HSA PLANS

Employer contributions to HSAs MUST be posted in payroll. The IRS requires that both the employee and the employer contributions be reflected in box 12W of the W2. Total employee and employer combined contributions cannot exceed:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Single</td>
<td>$3,300.00</td>
<td>$3,250.00</td>
</tr>
<tr>
<td>Family</td>
<td>$6,550.00</td>
<td>$6,450.00</td>
</tr>
<tr>
<td>Catch-up</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

According to IRS Publication 15-B: A Health Savings Account (HSA) is an account owned by a qualified individual who is generally your employee or former employee. Catch-up contributions are limited to employees aged 55 and over.

FSA Limits – There is a $2,500 limit on employee contributions to a Flexible Spending Arrangement for 2014.

Dependent Care Limit - $5,000.00 EE and ER combined.
W2 Edit List

THIS INFORMATION IS CRITICAL IN GENERATING ACCURATE W2 FORMS.

PayData will not be responsible for inaccurate data. As the employer it is your responsibility to confirm all data. If W2s need to be reprinted due to inaccurate information, additional FEES WILL RESULT.

You will receive a W2 Edit List with your payroll closest to November 1st. Please verify the following:

- The employee’s name matches that on the employee’s social security card, DO NOT use nicknames, and do not include punctuation such as periods or parenthesis in the name.
- Confirm that the company name and address shown is what should be printing on the W2s.
- All employees must have a VALID social security number. All zeros or all 9s are not acceptable.
- Note: If you hire an employee after your first payroll in November, they will NOT be included on the W2 Edit List; double check these employees for accuracy.
- Don’t forget to review employee VISA information.


Please make changes and return to PayData no later than December 9th.

REMOTE USERS: Please make your own changes and fax PayData the final page, signed, confirming all changes. Be sure to notify us of any incorrect social security numbers. [Note: Changes made to employee addresses and social security numbers in 2014 will not automatically be reflected in 2013 W2s. If you need to make retroactive changes, please contact your Client Service Representative.]

Record Retention

Federal and state law requires that your business maintain complete payroll and employee information, regulations vary by state and agency. There are costly fines associated with the failure to retain these records. PayData will store your 2013 payroll history for $75.00. The fee is automatically applied to your invoice closest to December 15th.

All Clients MUST fill out and return the enclosed Record Retention form to Finance by December 3rd. Please specify “Yes” or “No” to Record Retention. If you have any questions regarding this service, please call Christy Hollstein at extension 123.

Social Security Verification

PayData’s SSN verification service is an easy and cost effective way to ensure that your employees’ names and social security numbers are accurate. Avoid costly reprocessing fees and reduce year-end stress by ensuring that your W2s are printed correctly the first time. If you would like to participate in this service please call Christy Hollstein in our Finance Department at ext. 123 by December 3rd. A file fee of $25.00 will be applied to your year-end invoice. If you have previously signed up for SSV, we will continue to file on your behalf until you notify us to discontinue.
**W2 Information/Fees**

**W2s** will be processed and sent out from January 15th to January 25th.

- All employee W2s will be printed on pressure sealed stock and sealed automatically. Employer and state copies will be printed on regular W2 paper.

- Items such as 3rd party sick or S125 insurance can be reported in box 14. Please be aware that the employee’s W2 can only contain 3 entries in box 14. If an employee has more than 3 items they will print on a second W2. The employer W2 copy can contain 4 entries in box 14. Please contact your Client Service Representative if you want these items to be reflected in box 14.

- Your W2s will be sent via courier service, in order to track them should they become lost.

- Your 940 federal unemployment return and your quarter four quarterlies will be sent with your W2s unless your quarterlies are delivered VMR. In that case the quarterlies will be sent electronically as normal. W2s will continue to be shipped via a courier service.

- PayData files W2 information with SSA on mag media for all clients. On February 14th, the year will be officially closed and we will no longer accept 2013 adjustments. The mag media will be created on 2/28/14. W2 copies will be available to clients utilizing evoPay after that time. Please be aware that W2Cs will not appear in evoPay.

- **NON-TAX SERVICE CLIENTS:** It’s your responsibility to file W2 copies to the states that require them. PayData will file the W2 information to the SSA.

- Vermont requires that all employers with more than 25 employees file Form WH434 and the state copies of the W2 electronically. PayData can assist you with this for an additional fee.

- If you have companies that are consolidated, we will only run W2s from the consolidated company.

  **W2s**
  - $4.25 each plus shipping & handling
  - $30.00 electronic filing base fee

  **1099M and 1099R Forms**
  - $10.00 each plus shipping & handling
  - $30.00 minimum

  **W2 Reprint Fees**
  - $8.50 per W2. Reprint requests submitted no later than 12:00pm on Thursday will be processed on Friday of each week

- **Reprocessing Fees**
  - $85.00 minimum for Quarterlies
  - $8.50 per W2
  - 1099M/R – quoted

- **W2C and Amended Returns**
  - Fees for these services will be quoted on an individual basis, with a minimum fee of $85.00.

If your company has made state tax payments not processed by PayData, you will need to forward tax information to PayData so returns can be adjusted.

PayData will be offering W2s on CD for the tax year 2013. The CDs will be stamped after the SSA magnetic media is created. If you would like this service, please contact Christy Hollstein at extension 123. A $150.00 creation fee will be invoiced at the time of creation.
PayData processes 1099M forms for reporting rent and non-employee compensation only. PayData processes 1099R forms for reporting pension payouts (please be specific as to rollover, death, early retirement, etc). If there is any federal withholding, a separate company must be set-up on our system, as the 1099R withholding taxes need to be reported on a 945 tax return. PayData’s default is to only print those 1099Ms which are over the federal limit of $600.00. If you wish all 1099s to print regardless of amount, you must notify your Client Service Representative no later than Thursday December 6th.

All 1099 information must be posted in the system no later than 01/17/2014. PayData reserves the right to not process or prepare 1099 returns received after this date.

PayData does not provide envelopes for the 1099 forms.

TAX SERVICE CLIENTS

PayData files the 1099 federal and state copies for you electronically. If you do not want PayData to file the returns, you must notify us prior to 01/17/2014.

NON-TAX CLIENTS

Depending on where your business is located, you will need to File 1099 Forms to either: IRS, Austin TX 73301 or IRS, Kansas City MO 64999 and to the appropriate state agency.

If you would like PayData to assume full responsibility for your payroll tax deposits and filings in 2014, please contact our Finance Department at extension X123 to obtain the appropriate paperwork.

Notes:
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WHO DO I CONTACT??????

Assistance Directory
Phone (802) 655-6160 • Please Use Individual Fax Numbers
(Physical) 59 Rathe Road Colchester, VT 05446 • (Mailing) PO Box 706 Essex Jct., VT 05453
Please be aware that during high production periods such as year-end, PayData experiences high call volumes. We will work diligently to return your call/email as soon as possible.

Finance Department – Fax (802) 338-5514
Invoice Questions, Bank Account Debits, New Hire Reporting, WC Pay As You Go, Social Security Verification, Record Retention
123 Christy Hollstein – chollstein@paydata.com

Tax Department - Fax (802) 923-2812
Adding a State to a Company, Tax Booklets, SUI Rate Changes,
Tax Frequency Changes, Tax Returns, Tax Related Notifications, Tax Notice, Non Payroll Tax Payment
Ext.
112 Sandy Veino - sveino@paydata.com
136 Ruth Butts - rbutts@paydata.com
156 Denise Bell-Hollinger - dhollinger@paydata.com

Conversion & Training Department – Fax (802) 923-2813 New Accounts Currently in Conversion, Time Clock Set Up, New Client Trainings
Ext.
115 Lisa Wilson - lwilson@paydata.com
169 Emily Davis - edavis@paydata.com
168 Sasha Nolte - snolte@paydata.com

Sales - New Payroll Sales, New TimeClock Sales
Ext.
107 Bruce Blokland Fax (802) 923-2826 bblokland@paydata.com

Client Service Representatives- Payrolls, Payroll Adjustments, All Employee Changes, Evolution Support, General Ledgers, Time Off Accruals, Any Company Changes, Time Clock Support
Ext.
179 Marisa Almgren Fax (802) 923-2838 malmgren@paydata.com
132 Hannah Dumas Fax (802) 923-2825 hdumas@paydata.com
119 Kelly Edmonds Fax (802) 923-2836 kedmonds@paydata.com
117 Kevin Masciadrelli Fax (802) 923-2829 kmasciadrelli@paydata.com
158 Crystal Santiago Fax (802) 923-2833 csantiago@paydata.com
153 Lisa Sweet Fax (802) 923-2828 lsweet@paydata.com
113 Karen Ward Fax (802) 923-2835 kward@paydata.com
111 Jessica Whitehouse Fax (802) 923-2832 jwhitehouse@paydata.com
131 Linda Wilson Fax (802) 923-2831 lwilson@paydata.com
Disability /3rd Party Sick Pay

November, 2013

Dear PayData Client

Please take a moment to confirm your YTD figures for disability/3rd party sick payments. You can find these figures on your most recent payroll register. Please verify the amounts listed, sign, and return this form to us no later than December 20th, 2013.

If we do not receive this form by December 20th, we will assume that you will not have any further disability/3rd party sick payments to post for 2013, and will release your company for year-end processing.

If you have not notified us to keep your year-end open, and disability/3rd party sick payments are received after December 20th, 2013, you will be charged additional fees to reprocess your tax returns and receipt of returns may be delayed.

Many administrators give employers an option to receive W2s directly from them for the benefits issued. We strongly suggest that you decline this option as this will result in an overstatement of the employee earnings and will result in a Tax Discrepancy Notice. Contact your administrator and instruct them NOT to produce any employee W2s and NOT to file any employee W2s with the SSA or state agencies.

If you receive W2s from the disability administrator DO NOT pass them along to your employees and please notify PayData immediately. Failure to follow this advise will result in incorrect employee wages being reported and will result in costly amended returns needing to be filed.

To assist PayData’s Tax Department in resolving tax payment issues made by the administrator, please provide us with your administrator’s name and EIN number.

If you have any questions concerning this or other year-end information, please do not hesitate to call your Client Service Representative for assistance.

Sincerely,

Client Service Department

___ N/A Company does not offer this benefit.

___ All disability/3rd party sick pay for 2013 has been recorded.

___ Additional disability/3rd party sick pay information needs to be recorded – please place my company’s year-end processing on hold until it is submitted to PayData.

Name (please print) ____________________________________________________________

Company Number ___________ Company Name __________________________________________

Administrators Name ____________________________ Administrators EIN. _______________________

Signature __________________________________________ Date ________________________

P.O. Box 706 Essex Jct., VT 05453-0706 • Phone 802-655-6160 • Use CSR Fax Numbers • www.paydata.com
Supplemental/Bonus Run Request

Company Number ______________ Company Name _______________________
Template Name to Use ___________________________ Caution – templates may change throughout the year.

Check Date** _______________ Period Begin _______________ Period End _______________
** Be advised that if your company subscribes to evoPay, all transactions are available for review on check date.
** PayData requires that you process by 1pm 2 business before your check date – this rule also applies to Supplemental/ Bonus runs.

Additional Run?  Yes No Add in regular payroll?  Yes No If yes, second check? Yes No

Comment to print on check? ______________________________________________________
Note: Gross payrolls in excess of $600,000 may require funds to be wired.

Gross Up? (net + selected taxes)  Yes No If yes (circle applicable taxes)  OASDI Medicare Federal State
For examples of Gross up calculations please go to www.paydata.com \ Resource Center-PayData Forms-How-To

How Do You Want it Taxes? (circle)
Weekly  Bi-Weekly  Semi-Monthly  Monthly  Quarterly  Semi-AnNUally  Annually
OASDI / Medicare only  Flat Percent _____% Federal  Flat Percent _____ % State(s)

Block Any Additional Federal and/or State tax?  Yes No

Supplemental Rate Federal  Supplemental Rate State(s)
**States of NH, FL, TN, TX, AK, NV, SD, WA, WY do not have state withholding

* Seek direction from your accountant or IRS Publication 15 (Circular E) if uncertain as to how taxation should be handled.

Block Partial Direct Deposits?  Yes No Block Net Direct Deposits?  Yes No
Block Pension?  (401K, 403b, Simple)  Yes No Block other pre-tax deductions?  (S125)  Yes No
Block Recurring Deductions? Yes No Earning Code to be used (ex. bonus, misc)? ___________

Be careful when blocking garnishments. Some garnishments are taken on all wages; some are a flat amount per month/week.

Block YTDs on stub?  Yes No Note: Net pay amounts cannot be blocked from YTDs.

Delivery Instructions: __________________________________________________________

Special Instructions: _____________________________________________________________
Authorized by: ____________________________  Title: ____________________________ Date: ___________________

PayData Use Only

Rep ____________________  Time Requested ___________________  Time Processed ___________________

P.O. Box 706 Essex Jct., VT 05453-0706 • Phone 802-655-6160 • Use New Fax Numbers
PAYDATA RECORD RETENTION

IT IS NOT ONLY IMPORTANT - - IT IS THE LAW!

Year end is upon us yet again, and a major issue for today’s business is availability of past year’s information. PayData is offering, again this year, payroll record retention services to our clients. We offer this service to you as an optional benefit of PayData Payroll Services. This service can save you time, money, and all the worries of lost or misplaced payroll information. Federal and state law requires that you maintain complete payroll and employee information; the regulations differ by agency and state. There are costly fines associated with the failure to retain these records. For example, the Internal Revenue Service may request that a company reproduce 941 tax returns for 2009 as late as 2014. Complete payroll records can protect your company from costly lawsuits, tax assessments, and insurance adjustments. PayData can store all of your payroll history for the year 2013 for the next five years and reproduce it in detail upon request.

RECORD RETENTION COSTS

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record Retention Fee</td>
<td>$75.00</td>
</tr>
<tr>
<td>To Open Previous Year</td>
<td>$35.00</td>
</tr>
<tr>
<td>(includes two free reports)</td>
<td></td>
</tr>
<tr>
<td>Each Additional Report</td>
<td>$ 9.00</td>
</tr>
</tbody>
</table>

Please fill out this form and mail or fax back to the Finance Department by December 3, 2013. If this form is not returned PayData will assume that you require record retention and you will be billed accordingly. Please contact PayData’s Finance Department at finance@paydata.com directly with any questions or concerns relating to your company’s record retention.

I DO WANT RECORD RETENTION

Company Name:__________________________________________________

Signature:_______________________________________Date:____________

I DO NOT WANT RECORD RETENTION**

Company Name:__________________________________________________

Signature:_______________________________________Date:____________

**Please Note: If you decline this service and in the future request this information from PayData, the cost will be $175.00 per year requested and $9.00 per report requested. PayData will not guarantee that your history will still be on file, unless you choose the record retention service.

P.O. Box 706 Essex Jct., VT 05453-0706 • Phone 802-655-6160 • Fax 802-338-5514 • finance@paydata.com