

## Year-End Survival Guide – 2017

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### Working Together for Success!

Year-end is quickly approaching, and with that comes the task of verifying employee information, compiling end of year postings and ensuring W2 data is accurate. By utilizing PayData's Year-End Survival Guide, you can eliminate the stress and navigate the process with ease.

The Time to start is NOW!

**Please review this guide for important check lists and crucial year-end deadline dates.** Note: The information contained in this guide is as of

October 25th 2017. Any state minimum wage and/or annual federal limits published after this date will be posted on our website. Please go to [www.paydata.com/year-end-resources](http://www.paydata.com/year-end-resources) to view the latest information.

# IMPORTANT INFORMATION

**2017 W2s MUST be filed with the Social Security Administration by January 31, 2018**

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The Protecting Americans from Tax Hikes (PATH) Act of 2015 was signed into law on December 18, 2015, as part of the Consolidated Appropriations Act, 2017 (P.L. 114-113).

Section 201 of the PATH Act, stipulates that Forms W-2 and W-3, and Form 1099-MISC must be filed with the Social Security Administration and/or IRS by **January 31, 2018**.

It is **CRITICAL** that you understand the ramification of this law to your company. In-order to file tax returns in a timely manner and thereby remain in tax compliance, PayData MUST close out the 2017 year on **January 5<sup>th</sup>, 2018**. We can NOT waver on this due date - to do so will result in tax penalty charges for your company.

**What this means to you.....**

**ALL 2017 adjustments \ earnings (W2 and 1099) MUST be posted in payroll no later than 1:00 PM on January 5<sup>th</sup>, 2018.**

ANY adjustment or wage information provided to PayData after January 5<sup>th</sup>, 2018 will be held and corrected in February after the tax returns have been filed. This will result in amended 941 returns and W2Cs for your employees, and will result in additional processing fees for these amended returns. This may also result in delays in your employees filing their personal tax returns.

We urge you to start your year-end payroll review NOW to make sure that you have accounted for any items such as:

Voided checks	Manually issued checks	3 <sup>rd</sup> Party Sick payments	Employer HSA
Group Term Life	Employer Health Insurance	Taxable Auto	Shareholder Insurance

**Contact your CPA NOW for assistance in determining if you have any additional postings.**

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## Don't Forget.....

### CHECK IT OFF –

- ✓ To help you stay organized and on top of pending tasks, we have included a Year-End Calendar, and My Year-End Checklist. These are found on pages 5 – 8. We recommend printing them off and using them to verify deadlines and to keep track of specific items related to your Year-End needs.

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### DELIVERY–

- ✓ If your normal delivery method is the US Mail, we STRONGLY advise switching to an alternate method. Packages shipped via US Mail CANNOT be tracked once it leaves our office.
- ✓ W2s and Q4 Quarterlies will be sent together via a track-able 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 track-able courier. If you have changed your physical address during the year, make sure that this has been communicated to your Client Service Representative. Tax Returns will begin shipping on January 17, 2018.

### EMAIL-

- ✓ When emailing us, please include your account number, company name and a key word in the subject line. Adding key words like 'billing question', 'payroll submission', 'tax inquiry' will help us route your request to the appropriate department, thereby expediting a resolution.

### HOLIDAYS –

- ✓ The Federal Reserve and most banks are closed 11/23/17, 12/25/17, and 01/1/18. 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 – including adjustment \ bonus payrolls - must be submitted by **1:00pm, two business days prior to your check date.** Holidays and weekends do not count as one of those days.

### PERFORM A PAYROLL AUDIT –

- ✓ Please review your payroll reports as soon as you get them. If you suspect an error has been made, notify us immediately. We can put your company on year-end hold while we work towards a quick resolution. Please understand that all holds will be released no later than 1/5/2018.
- ✓ Double check: Have you posted all of your Disability/3<sup>rd</sup> Party Sick payments? Ask your CPA if you need to post Group Term Life, Shareholder Insurance, or Employer Health Insurance.
- ✓ HSA - Verify that direct deposited contributions to Health Saving Accounts (HSA) were successfully transferred. In addition, please make sure that you have provided to us any Employer HSA amounts that need to be posted.

# November 2017 **Employer Check List – Things you need to do**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	You will receive a W2 Edit List with your payroll closest to Nov 1 <sup>st</sup> .		1	2	3 Get new W4 from Employees claiming Exempt	4
5	6 Watch mail for Disability notices regarding printing 3PS W2s. Tell them not to print the W2s.	7	8	9	10	11
12	13 Verify your call in and/or check date for Thanksgiving.	14	15	16	17 <b>VMR clients –</b> notify us if your primary delivery address has changed during the year.	18
19	20 Contact your CPA – Do you need to post any 2% Shareholder Insurance or Taxable Auto?	21	22	23 <b>Thanksgiving Day Holiday</b>  <b>PayData Closed</b>	24 <b>PayData Closed</b>	25
26	27	28	29	30		

# December 2017 Employer Check List – Things you need to do

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					<b>1</b>  Social Security Verification deadline and Record Retention Form Due.	<b>2</b>
<b>3</b>	<b>4</b>  W2 Edit List Due with changes.	<b>5</b>  Notify CSR if you need PayData to print 1099s.	<b>6</b>	<b>7</b>  Notify CSR of 2018 company changes ex: Ins premiums, TOA, benefit changes, HSA/401k limits.	<b>8</b>  Notify CSR if you need to hold 2017 open for additional payrolls, bonuses or 3PS postings. Remember 1/5/2018 is the cutoff date.	<b>9</b>
<b>10</b>	<b>11</b>  Verify your call in and/or check date for the Christmas Holiday.	<b>12</b>	<b>13</b>	<b>14</b>  VT Healthcare Changes for Q4 due today.	<b>15</b>	<b>16</b>
<b>17</b>	<b>18</b>  Verify your call in and/or check date for New Year's Day Holiday.	<b>19</b>	<b>20</b>	<b>21</b>  Verify that all voids and manual checks have been posted in 2017.	<b>22</b>  1095 Preview Report due with changes.	<b>24</b>
<b>24</b>	<b>25</b>  <b>Christmas Day Holiday</b>  <b>PayData Closed</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>  <b>All payrolls processed after today will result in tax penalties</b>	<b>30/31</b>

January 2018		Employer Check List – Things you need to do				
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	<b>1</b>  <b>New Year's Day Holiday</b>  <b>PayData Closed</b>	<b>2</b>	<b>3</b>  Last possible deposit date for timely 2017 941 taxes.	<b>4</b>	<b>5</b>  <b>Last Day to get 2017 Wage and 1099 information to PayData.</b>	<b>6</b>  PayData to begin processing 2017 W2s
<b>7</b>	<b>8</b>  Verify your call in/or check date for Martin Luther King Jr. holiday	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
<b>14</b>  PayData to begin processing 2017 1095s.	<b>15</b>  <b>Martin Luther King Jr. Day.</b>  <b>Federal Reserve is Closed.</b>	<b>16</b>	<b>17</b>  PayData to begin shipping 2017 W2s and Quarterlies	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b>  <b>Due date for 941 returns, SSA W2s and providing W2s and 1095s to Employees.</b>			



# My Year-End Checklist

**Completed**

**To-Do**

	Notify Staff that are claiming Exempt that they need to complete a new W4 Form for 2018.
	Did our physical address change? Let PayData know what our new delivery address is so our W2s are delivered correctly.
	Check with our CPA – do they need us to hold open the year until 1/5/18 pending additional postings such as Taxable Benefits, Employer HSA contributions, 2% Shareholder Insurance?
	Federal Reserve and PayData are closed 11/23/17. Do I need to change my submission or check date for Thanksgiving Day. <b>Don't forget, PayData is also closed 11/24/17.</b>
	Review the W2 Edit List – Changes are due 12/4/17.
	Did I have any subcontractors this year? Make sure to let PayData know by 12/5/17 if I need them to process any 1099s. Remember all wages including 1099 postings must be completed by 1/5/18.
	Review company changes for 2018. Make sure to give PayData ample time to make Department, General Ledger, Pension, Time Off Accrual etc changes. Some changes may take longer to implement.
	Did I have any staff on disability this year? Verify that all 3PS payments have been posted. If they have not, I must notify PayData.
	Check my payroll packet closest to December 1st and look for the Q4 VT Healthcare Listing. I need to get changes to PayData by 12/14/17
	Federal Reserve and PayData are closed 12/25/17. Do I need to change my submission or check date for Christmas Day?
	Vermont Employers – The total cost of employer sponsored health care coverage must be reported in Box 12DD of the W2. This includes both the Employee contributions as well as the Employer contributions. If you are not reporting both portions, please contact your Client Service Representative immediately.
	Do I still have any checks that need to be voided in the system? What about manual checks that AP may have issued?
	Don't forget Minimum Wage changes for 2018. Double check that all staff have been updated for the first 2018 payroll. PayData will not automatically change rates of pay.
	Federal Reserve and PayData are closed 01/01/18. Do I need to change my submission or check date for New Year's Day?
	Federal Reserve is closed 01/15/18. Do I need to change my submission or check date for Martin Luther King Jr Day?



# 2018 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 2017 payroll schedule to determine if you are affected by these dates.
- ✓ 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 submit your payroll **by 1:00pm two business days prior** to your check date. Auto Pay changes are due by 11:00am.
- ✓ Staff **reminder calls** to clients are done as a courtesy and may not always be possible during peak production times.



**The Federal Reserve and/or PayData will be closed on the following days:**



= Federal Reserve CLOSED



= PayData CLOSED

- |  |   |
|--|---|
| ■ ▲ January 1st, 2018 - New Year's Day                     | ■ ▲ September 3 <sup>rd</sup> , 2018 - Labor Day            |
| ■ January 15 <sup>th</sup> , 2018 – Martin Luther King Day | ■ ▲ October 8 <sup>th</sup> , 2018 - Columbus Day           |
| ■ ▲ February 19 <sup>th</sup> , 2018 - President's Day     | ■ November 12 <sup>th</sup> , 2018 – Veteran's Day          |
| ■ ▲ May 28 <sup>th</sup> , 2018 - Memorial Day             | ■ ▲ November 22 <sup>nd</sup> , 2018 Thanksgiving Day       |
| ■ ▲ July 4 <sup>th</sup> , 2018 - Independence Day         | ▲ November 23 <sup>rd</sup> , 2018 – Day After Thanksgiving |
|  | ■ ▲ December 25 <sup>th</sup> , 2018 – Christmas Day        |

## IMPORTANT TAX DATE –

**January 3<sup>rd</sup>, 2018 - This is the last possible deposit date for 2017 federal withholding.**

**Any 2017 deposits made later than January 3<sup>rd</sup>, 2018 will incur penalties.**

**December 29<sup>th</sup>, 2017 – This is the last possible day to process payrolls dated for 2017 and not incur penalties. After this date, tax penalties WILL result.**

# Payroll Preparation for 2017

**2018 MINIMUM WAGE** - Non-Remote 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. \* Information as of October 25, 2017.

Watch for updates on PayData's website. Go to [www.paydata.com/year-end-resources](http://www.paydata.com/year-end-resources)

<b><u>Regular</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>Tipped</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Federal:	\$ 7.25	\$ 7.25	Federal:	\$2.13	\$2.13
Vermont:	\$10.00	\$10.50	Vermont:	\$5.00	\$5.25
New York:	\$ 9.70	\$10.40	New York:	\$7.50	\$7.50
New Hampshire:	\$ 7.25	\$ 7.25	New Hampshire:	\$3.26	\$3.26
Massachusetts:	\$11.00	\$11.00	Massachusetts:	\$3.75	\$3.75

## Vermont Employers

**\*\*Important \*\*** Vermont employers are still required to contribute to the Vermont Health Assessment even if they are using the Vermont Health Connect Exchange for their employees' insurance. If the employer offers insurance, all employees need to complete a new Health Declaration of Coverage Form for 2018. You can find this form on our website at **[www.paydata.com](http://www.paydata.com)** under the Resource Center – PayData Forms – New Employee Form or at <http://labor.vermont.gov/wordpress/wp-content/uploads/HC-2.pdf>

If you have employer sponsored health care coverage, both the Employee and Employer contributions **MUST** be included on the Employees' W2s in box 12DD. For more information go to:

<https://www.irs.gov/affordable-care-act/form-w-2-reporting-of-employer-sponsored-health-coverage>

## 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 2018, you must notify us by December 8th.

Failing to notify us by this date will result in delays in processing these changes and additional fees will apply.

Examples of global changes are:

*\* Changing department structure*

*\* Changing Time Off Accrual, including adding the New York State Paid Family Leave*

*\* General Ledger 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. Please make sure to let us know for which check dates these changes are effective.*

*\* If you are using Benefit Tables, please verify that the 2018 rates have been loaded in the system.*

## 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 Notify us if you are making changes to your holiday schedules for 2018.

# Key Items for Year End Preparation

## PAYROLL ADJUSTMENTS

### Remote Users:

- \* Confirm that all voided checks and/or in-house manual checks have been posted to the system by December 21st.

### Phone, Fax, evoClock, email, eSheet clients:

- \* Notify your Client Service Representative of any voids or in-house manual checks that need to be processed before your last payroll in December.

**\* Confirm that all Disability payments have been posted in 2017. You cannot hold 2017 payments and post them in 2018.**

\* Don't Delay! Talk to your Accountant now – Do they have any Year End adjustments that you need to post for 2017? Examples of Year End adjustments are:

*2% Shareholder Insurance, ER HSA contributions,  
ER Health Insurance, Group Term Life, Taxable Auto*

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 8<sup>th</sup> for scheduling and return the enclosed Supplemental/Bonus Payroll Request Form. This form will enable us to set up a Payroll Check Template.

Why use a check template?

- dictates which scheduled earnings or deductions are being withheld from the checks.
- establishes how Federal, State and Local taxes are withheld or blocked.
- saves time and eliminates errors.

More information on setting up and using templates can be found on our website. Go to [www.paydata.com](http://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

Taxable fringe benefits are included in the gross wages for tax purposes and then backed out of the net pay as the employee has already received the benefit value. Examples include: Group Term Life, Shareholder Insurance, Stock Options, Moving Expenses and Taxable Auto. Because the benefits are only memo posted, they must be included on a check with other earnings so 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 will result in additional processing fees and potential late 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 and under How-Tos, select the appropriate document.

## TO PREVENT ERRORS

### REMOTE USERS:

The number one reason for payroll errors is not proofing your totals. Before you click the Submit or Finish button, go to the 'earnings and deductions' or 'Totals' tab in payroll entry after pre-processing has finished. 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.

### BATCH USERS: (Payroll submitted via PayData's Portal, fax, email, eSheet, 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.

If you have employees who are here on a VISA, verify 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 25, 2017

The 2017 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 are Credit Reduction States until the fourth quarter, as the states have until the end of the year to pay back the loan.

### Credit Reduction States as of **October 25, 2017:**

California                      Virgin Islands

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.**

# ACA Form 1095 & 1094 UPDATE INFO

## ACA – Who is Required to Report?

Fully insured or Self-Insured “applicable large employers” (ALE) as defined by the ACA will be required to comply with some portion of the reporting requirements.

Small employers who are not considered ALEs, yet provide a self-insured plan, will also need to report for all individuals covered under the self-insured plan. Small employers with fully-funded health plans will not be required to report coverage information in 2017.

The forms to be completed are:

**IRS Form 1095-C Health Offer Coverage Employee Statement** – this form is required for each employee. The data included on this form can vary depending on the reporting method utilized. The two reporting methods are Qualifying Offer Method and 98% Offer Method.

Large employers (ALEs) who are subject to the Employer Shared Responsibility provision will report their information on Form 1095-C and 1094-C. In general, an employer with 50 or more Full Time Employees, including Full Time Equivalent (FTE) Employees during the prior calendar year is subject to the Employer Shared Responsibility provisions

Self-insured employers, those who pay the employees’ health care claims directly instead of through the insurance company, are required to complete Form 1095-C and Form 1094-C. If they are under 50 FTE and not subject to the provision, they should provide Form 1095-B. Both small and large employers must include coverage information for all individuals covered under the self-insured plan, including dependents.

For those employers with fully insured plans and less than 50 Full Time or FTE employee, the insurance companies will prepare Form 1095-B and Form 1094-B.

**IRS Form 1094C Transmittal Form** – this form is similar to the Annual W3 Form. One form per employer is filed.

Just like W2s, copies of the Form 1095 must be provided to each employee by January 31, 2018. The forms must be filed with the IRS by February 28th if filing on paper, or March 31st if filing electronically. Employers with 250 1095 forms are mandated to file electronically.

PayData will process Forms 1095-C and 1094-C for those clients who have signed up for our ACA Reporting Service. If you are also utilizing our Tax Filing Service, PayData will also file these returns on your behalf.

The window for 2017 ACA reporting is currently closed. If you are already enrolled in this service, you will receive a 1095 Preview Report in your payroll packet closest to November 1<sup>st</sup>. Please review this report very carefully, as this is the information that will be sent to the IRS. All users need to make all necessary changes using the appropriate effective dates. Please sign the last page and forward to your Client Service Representative.

## 1095 PREVIEW REPORT CHANGES ARE DUE FOR COMPLETION BY 12/22/2017

PayData will begin processing the 1095 Forms on 01/12/2018. Any changes received after this date, will result in additional service fees and delays in reprocessing the returns. These forms are due to your employees by 01/31/2018, so please plan accordingly and allow us ample time to prepare these returns.

**Your 1095 Forms will be shipped separately from Quarterly/W2 and /or 1099 Returns and will be sent via a track-able courier.**

To help you determine if you are subject to the Employer Shared Responsibility provisions, PayData has the following reports available that will assist you in determining your FTE counts: *ACA FTE Report (S2711)*, *ACA Eligibility Analysis Report (S2713)* and *ACA Rule of Parity (S2834)*. Please contact your Client Service Representative if you would like these reports added to your company or visit <https://www.paydata.com/resource-center/> for more information.

If you are interested in this service for 2018, please go to our website for more information on how to sign up <https://www.paydata.com/aca-affordable-care-act-resources/>



# 2017 & 2018 Limits

\* As of November 29, 2017

The below information is as of November 29, 2017. For updates published after that date, please go to PayData's website at [www.paydata.com/year-end-resources](http://www.paydata.com/year-end-resources)

## MAXIMUM OASDI WAGE LIMIT – OASDI is 6.2%

2018 – On November 29<sup>th</sup>, the SSA revised their previously announced OASDI wage limit for 2018. The OASDI wage limit for 2018 will increase from \$127,200 up to **\$128,400**. The Maximum OASDI tax paid by employees will increase to **\$ 7,960.80** for 2018

## MEDICARE WAGE LIMIT – Medicare is 1.45%

There is no wage limit on Medicare Taxes. **Additional Medicare Tax of .9% on all employee wages over \$200,000 will continue for 2018.** The Additional Medicare Tax is not matched by the employer.

**Employer Federal Unemployment Tax** rate is 6.2% for 2018.

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## SIMPLE PLAN

2018 - Simple employee contribution plan limit will remain unchanged at \$12,500. For employees age 50 and over, the Simple employee catch-up contribution limit will remain unchanged at \$3,000. **Catch-up contributions are not automatically matched by the employer.** Please check your plan documents for confirmation.

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## 401K & 403B & 457

2018 - Employee contribution limits to 401K, 403B or 457 plans are increasing to \$18,500. For employees age 50 and over, the employee catch-up contribution limit is unchanged and remains at \$6,000. **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 will increase to \$275,000 for 2018.

## 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:

	<u>2017</u>	<u>2018</u>
Single -	\$3,400.00	\$3,450.00
Family -	\$6,750.00	\$6,900.00
Catch-up -	\$1,000.00	\$1,000.00

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 **\$2,650** limit on employee contributions to a Flexible Spending Arrangement for 2018.  
**Dependent Care Limit** - \$5,000.00 Employee and Employer 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 APPLY**.

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.

Obtain a W2 Edit List Instruction sheet from our website at [www.paydata.com](http://www.paydata.com). Select Resource Center-PayData Forms – How-Tos.

**Please make changes and return to PayData no later than December 4th.**

**REMOTE USERS:** Please make your own updates and fax PayData the final page, signed, confirming all changes. Be sure to notify us of any incorrect social security numbers. SSN and Employee Names are dynamic fields and require effective dates to be used.

**[Note: Changes made to employee addresses and social security numbers in 2018 will not automatically be reflected on 2017 W2s. If you need to make retroactive changes, please contact your Client Service Representative.]**

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## 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 2017 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 1<sup>st</sup>. Please specify "Yes" or "No" to Record Retention. If you have any questions regarding this service, please call Sherri at ext.123.

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## 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 by ensuring that your W2s are printed correctly the first time. If you would like to participate in this service please call Sherri at

ext.123 by December 1st. 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.**



# W2 Information/Fees

- **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 can be reported in box 14. The employee's W2 can contain 3 entries in box 14; more than 3 items 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 starting January 17<sup>th</sup>. If you have changed your physical address during the year, make sure that this has been communicated to your Client Service Representative.
- Your 940 federal unemployment return and your Q4 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 **January 5<sup>th</sup>, 2018** the year will be closed and we will no longer accept 2017 adjustments. The mag media will be created on 1/26/18. W2 copies will be available to clients utilizing evoPay after February 5<sup>th</sup>, 2018. Please be aware that W2Cs will not appear in evoPay.
- If you have enrolled in our TurboTax Service, the W2s will be posted to the TurboTax site the Friday after your W2s have been shipped. If you are interested in enrolling, go to [www.paydata.com](http://www.paydata.com) and click on the Resource Center.
- **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.
- **NON-TAX SERVICE CLIENTS:** 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

\$6.00 each plus shipping & handling  
\$35.00 electronic filing base fee

## 1099M and 1099R Forms

\$10.00 each plus shipping & handling  
\$30.00 minimum

## W2 Reprint Fees

\$10.00 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  
\$10.00 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.

## ACA Forms

\$6.00 each plus shipping & handling

**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 2017. The CDs will be stamped after the SSA magnetic media is created. If you would like this service, please contact Sherri Boissoneault at x123. A \$150.00 creation fee will be invoiced at the time of creation.

# Forms 1099M & 1099R

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 Tuesday December 5th.

**All 1099 information must be posted in the system no later than 01/5/2018. PayData reserves the right to not process or prepare 1099 returns received after this date. 1099 postings containing taxes must be processed by 12/29/2017 to avoid tax penalties. Please remember that 1099 Forms will ship separately from W2s.**

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 1099 returns, you must notify us prior to 01/5/2018.

## 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 2018, please contact our Finance Department at x123 to obtain the appropriate paperwork.

NOTES:

# WHO DO I CONTACT?

## Assistance Directory

Phone (802) 655-6160 • Please Use Individual Fax Numbers

(Physical) 106 Highpoint Center Ste 300 Colchester VT 05446 • (Mailing) PO Box 706 Essex Jct., VT 05453

### **Finance Department – Fax (802) 338-5514**

Invoice Questions, Bank Account Debits\Credit, New Hire Reporting, WC Pay As You Go, SSV, Record Retention

Ext.

123 Sherri Boissoneault [sboissoneault@paydata.com](mailto:sboissoneault@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.

156 Denise Bell-Hollinger [dhollinger@paydata.com](mailto:dhollinger@paydata.com)

136 Ruth Butts [rbutts@paydata.com](mailto:rbutts@paydata.com)

112 Sandy Veino [sveino@paydata.com](mailto:sveino@paydata.com)

### **Conversion & Training Department – Fax (802) 923-2813**

New Accounts Currently in Conversion, New Time Clock Set Ups, New Client Trainings

Ext.

115 Lisa Wilson [lwilson@paydata.com](mailto:lwilson@paydata.com)

169 Emily Davis [edavis@paydata.com](mailto:edavis@paydata.com)

168 Laurie Thompson [lthompson@paydata.com](mailto:lthompson@paydata.com)

### **Sales – Fax (802) 923-2826**

New Payroll Sales, New Time Clock Sales

Ext.

107 Bruce Blokland [bblokland@paydata.com](mailto:bblokland@paydata.com)

1131 Deanna Russell [drussell@paydata.com](mailto:drussell@paydata.com)

**Client Service Representatives** – Payrolls, Payroll Adjustments, All Employee Changes, Evolution Support,  
General Ledgers, Time Off Accruals, Any Company Changes, Time Clock Issue Support, Portal Case Creation

Ext.

117 Beth Farnsworth	Fax (802) 923-2834	<a href="mailto:bfarnsworth@paydata.com">bfarnsworth@paydata.com</a>
190 Brittany Roy	Fax (802) 622-3346	<a href="mailto:bblanchard@paydata.com">bblanchard@paydata.com</a>
158 Dawn Pecor	Fax (802) 923-2333	<a href="mailto:dpecor@paydata.com">dpecor@paydata.com</a>
229 Gwenlyn Ibbott	Fax (802) 923-2821	<a href="mailto:gibbott@paydata.com">gibbott@paydata.com</a>
147 Jill Chandler	Fax (802) 923-2835	<a href="mailto:jchandler@paydata.com">jchandler@paydata.com</a>
119 Kelly Edmonds	Fax (802) 923-2836	<a href="mailto:kedmonds@paydata.com">kedmonds@paydata.com</a>
132 Kevin Montgomery	Fax (802) 923-2825	<a href="mailto:kmontgomery@paydata.com">kmontgomery@paydata.com</a>
153 Lisa Sweet	Fax (802) 923-2828	<a href="mailto:lsweet@paydata.com">lsweet@paydata.com</a>
179 Marisa Almgren	Fax (802) 923-2838	<a href="mailto:malmgren@paydata.com">malmgren@paydata.com</a>
174 Michael Dale	Fax (802) 622-3347	<a href="mailto:mdale@paydata.com">mdale@paydata.com</a>
133 Michelle Laroche	Fax (802) 622-3348	<a href="mailto:mlaroche@paydata.com">mlaroche@paydata.com</a>
191 Tina Ettenborough	Fax (802) 923-2827	<a href="mailto:tettenborough@paydata.com">tettenborough@paydata.com</a>



## **Disability / 3<sup>rd</sup> Party Sick Pay**

November 2017

Dear PayData Client

Please take a moment to confirm your YTD figures for disability/3<sup>rd</sup> 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 8th, 2017.**

**If we do not receive this form by December 8th, we will assume that you will not have any further disability/3<sup>rd</sup> party sick payments to post for 2017, and will release your company for year-end processing.**

If you have not notified us to keep your year-end open, and disability/3<sup>rd</sup> party sick payments are received after December 8<sup>th</sup>, 2017, 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 advice 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/3<sup>rd</sup> party sick pay for 2017 has been recorded.

\_\_\_ Additional disability/3<sup>rd</sup> party sick pay information needs to be recorded – please place my company's year-end processing on hold. Please Note all holds will automatically be released on 1/5/2018.

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 • [www.paydata.com](http://www.paydata.com)**

## Supplemental/Bonus Run Request

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

Do you have a check template already set up? 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** Post in regular payroll? **Yes No** If yes, second check? **Yes No**

**Note: Additional Runs will incur additional processing fees.**

Earning Code to be used (ex. bonus, misc)? \_\_\_\_\_

**Note:** Gross payrolls in excess of \$600,000 may require funds to be wired.

Comment to print on check? \_\_\_\_\_

Are the amounts that you are providing to us the Gross or Net amounts? **Gross Net**

If **NET**, please circle the taxes that should be withheld. **OASDI Medicare Federal State**

When you provide NET amounts, we need to back into the Gross that needs to be posted. EX - You want to pay the EE \$300.00 net with FICA taxes only. We Gross up the check and post a Bonus of \$324.85, withhold the FICA taxes of \$24.85 and pay the EE \$300.00. Please remember, that the Employer also needs to match the FICA taxes. [For a cheat sheet of Gross up calculations please go to [www.paydata.com](http://www.paydata.com) \ Resource Center-PayData Forms-How-To]

### **If GROSS, How Do You Want it Taxed? (circle one option)**

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly Semi-Annually Annually

### **OR**

OASDI / Medicare only Flat Percent \_\_\_\_\_% Federal Flat Percent \_\_\_\_\_ % State(s)

Block Any Additional Federal and/or State tax that the employee normally has deducted? **Yes No**

Supplemental Rate Federal 25% Supplemental Rate State(s) \_\_\_\_\_

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

### **Do You Want to:**

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**

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

Block Gross from showing on check stub? **Yes No** **Note: Net pay amounts cannot be blocked from checks.**

Delivery Instructions: \_\_\_\_\_

Special Instructions: \_\_\_\_\_

Authorized by: \_\_\_\_\_ Date: \_\_\_\_\_

CSR \_\_\_\_\_ Date Requested \_\_\_\_\_ Date Processed \_\_\_\_\_



## 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 2013 as late as 2018. 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 2017 for the next five years and reproduce it in detail upon request.

### RECORD RETENTION COSTS

Record Retention Fee	\$75.00
To Open Previous Year (includes two free reports)	\$35.00
Each Additional Report	\$ 9.00

Please fill out this form and email or fax back to the Finance Department by December 1, 2017. 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](mailto:finance@paydata.com) directly with any questions or concerns relating to your company's record retention.

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### 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.