



Year End Guide

As we move into the final quarter of 2019, we would like to take this opportunity to **THANK YOU** for your partnership with PaySphere. We've assembled a guide with reminders and timelines to help ensure everything is just right before we process your W-2 and 1099 forms at year end.

Please review this document carefully and let your Client Success Partner know if you have any additional questions or concerns regarding Year End with PaySphere.

Please note: All items in bold will require your attention **

For the Employers Tax Guide, please view Publication 15 (Circular E):
<https://www.irs.gov/pub/irs-pdf/p15.pdf>



Year End Checklist

- Read this entire Year End Guide**
 - Special notes are included throughout this packet that may pertain to your company.
- Review the W-2 Preview report**
 - This report is included in your payroll packet around **December 13th**.
 - Please review each W-2 preview to ensure all taxable wages, retirement contributions, and taxes are recorded accurately to this point in the year.
 - Please review the list of 1099 contractors paid through payroll and confirm their SSNs/EINs for accuracy.
- Review the W-2/1099 Edit report**
 - This report is included in your payroll packet around **December 13th**.
 - Please review each employee/contractor's address, SSN/EIN and W-2/1099 box information. Incorrect information can be rejected by the SSA, resulting in penalties and/or interest.
- Confirm all "Manual" checks written during the year have been documented**
 - Manual checks are those checks written by your company and recorded in our system for accurate year-to-date totals and W-2/1099 reporting.
- Process your payrolls for the rest of the year per your schedule.**
 - The payroll Check Date determines the tax year for a payroll to be posted. The last available check date for Regular, Supplemental, and Correction payrolls is December 31, 2019 and should be processed no later than December 27, 2019 @ 3:00 PM CST.
- Process special reporting items by December 20th**
 - Bonuses, 2% Shareholder, Third Party Sick Pay, Group Term Life
 - If you need assistance with these, please contact your Client Success Partner
 - Also see: Year End Payroll Dictionary.
- Confirm your shipping address by Friday, December 27th**
 - Contact your Client Success Partner to confirm your shipping address
 - All W-2/1099 forms will be shipped to this address by January 31, 2020
- All 2019 corrections will be processed after February 17, 2020**
 - All prior year corrections are subject to additional charges for reopening and amending prior tax returns.
 - Please submit 2019 correction requests to your Client Success Partner with the Waiver & Correction Form.
- RUSH 2019 corrections**
 - All 2019 corrections that must be processed prior to February 17, 2020 will be subject to an additional rush charge
 - All 2019 Rush Corrections must be received by **January 10, 2020** to block the original tax reporting prior to the correction.

Year End Payroll Dictionary

- **Bonuses:** Schedule special 2019 bonus payrolls with your Client Success Partner by **December 20th, 2019**. If your payroll total exceeds \$500,000 or if an individual employee bonus exceeds \$100,000, funds will need to be wired from your bank by 12:00 PM CST. Your bank will be able to provide you specific wire instructions.
- **2% Shareholder:** If you own more than 2% of the outstanding stock of an S Corporation, you may need to include the cost of company paid health insurance to your W-2 form. Health insurance premiums paid by an S Corporation on behalf of its 2% shareholders should be reported as wages on their W-2 forms. Please ask your CPA if your company qualifies for this. These wages are best reported via payroll throughout the year, but if you still need to report this for the year, please let your Client Success Partner know by **December 20th, 2019**.
- **Third Party Sick Pay:** Third Party Sick Pay (Short- & Long-Term Disability) describes payments that your employees may have received during the year for a qualified non-work or disability related leave. Employers and third-party payers share responsibility for taxing and reporting these benefits. If you have an agreement with your supplemental insurance provider, they will prepare and mail the W-2 forms. This is the most common practice, but you should contact them to confirm. If your supplemental insurance provider does not prepare your W-2 forms, PaySphere will need your Year End Disability Income Report. If you still need to report this for the year, please let your Client Success Partner know by **December 20th, 2019**.
- **Group Term Life:** If you directly or indirectly offer Group Term Life to your employees, the cost of coverage over \$50,000 must be recorded as wages on the employee's W-2 form. If you still need to report this for the year, please let your Client Success Partner know by **December 20th, 2019**.

Year End Dates to Remember

December 20, 2019 (Friday) The W-2 Preview and W-2/1099 Edit reports should have been received and reviewed by this time. If you have not received them, please let your Client Success Partner know right away.

December 24, 2019 (Tuesday) *Christmas Eve Observed*

Our ACH vendor closes early. Any payrolls schedule to be processed MUST be submitted by 12:00 PM CST. Any payroll submitted after 12:00 PM CST on 12/24/19 will not be processed until 12/26/19.

December 25, 2019 (Wednesday) *Christmas Day Observed*

PaySphere offices & banks closed.

January 1, 2020 (Wednesday) *New Year's Day Observed*

PaySphere offices & banks closed.

First payroll of 2020

Year end processing charges are applied to the first payroll of 2020.

January 10, 2020

All 2019 data is finalized for Year End processing.

January 15–27, 2020

PaySphere ships Year End packages as they are generated.

- FedEx packages with W-2 and 1099 forms are shipped to the employer address
- Digital copies of these forms and all tax reports are emailed to the authorized contact(s) on record.

February 17, 2020

Corrections and amendments for 2019 begin.

IMPORTANT: Agencies begin sending rate and deposit frequency changes for 2020 to all employers in December. PaySphere does NOT receive this information directly.

- Please email any agency updates/correspondence to tax@payspherepayroll.com as soon as possible to ensure your rates are current.



2019 Correction & Waiver Form

Date Requested

Company Name

Client Contact

Client agrees that they are responsible for any penalties, interest and/or notices that may be assessed by any agencies, as applicable to the specific tax/returns as a direct result of this authorization. Client further acknowledges that they will not hold PaySphere LLC, responsible for such penalties, interest and/or notices that result. February 17th 2020 corrections and amendments for 2019 begin.

Reason for Correction (check all that apply):

Add wages Void wages Other

(Explain: _____)

Please sign and date the statement below. By signing, you agree to the terms of this form and authorize the corrections/processing.

Authorized Representative Name: _____

Signature: _____

Date: _____

Best contact information:

Email: _____

Phone Number: _____

Fees for corrections:

Payroll base fee + per check fee

Reopen Year = \$200.00

Reopen Quarter = \$50.00 per quarter

Amended Returns \$50.00 per return

W-2c (amended W-2) \$35.00 per W-2

W-2 Reprint \$10.00 per W-2

1099 Corrected \$35.00 per 1099

1099 Reprint \$10.00 per 1099

Year End Processing \$60.00 + \$5.75 per W-2/1099

Year End Delivery \$17.25

Rush Fee \$125.00