Year End Tips

Tip #1

Void and Manual Checks

Do you have any manual checks that need to be entered into the payroll system? If yes, you must enter the manual checks before the close of your 2019 year to properly collect and pay the taxes.

Are there any 2019 checks that need voiding? If yes, the voided checks must be processed by the last regularly scheduled payroll for 2019.

Did any of your employees receive disability payments in 2019? If you have any employees being paid either short term or long term disability pay (also called 3rd party sick pay) the amounts need to be sent to Payroll Network. We will enter the amounts into your iSolved payroll system to properly record the payments and pay any employer matching taxes that are due. These amounts need to be entered with a regularly scheduled payroll for 2019 and must be done before year end.

However, if your disability policy is one whereby the insurance company pays the company matching taxes and reports the W-2 to the IRS, you should not send the information to Payroll Network.

**Please note any voids or manual checks that are not entered with or prior to the last payroll of 2019 will incur additional charges for the adjustment payroll runs.

Tip #2

Have or will you change your address for W-2 delivery purposes? If so, please let us know by sending an email to: support@payrollnetwork.com.
Tip #3

Has anyone moved during the year?

Please correct any address changes for your employees so that their W-2s will have the current address. If any of your employees moved during the year, was their address updated in iSolved timely and were the proper state taxes withheld for the entire year? If not, please notify Support at support@payrollnetwork.com to make the appropriate adjustments.

Employee Social Security Numbers

Also, check the social security numbers for accuracy. Our most common reason for W2 corrections is for incorrect social security numbers. Please make sure that your employees’ numbers are accurate and notify us of any corrections that need to be made at support@payrollnetwork.com.

If you utilize employee self service you can also have your employees log in and verify their own information.

**Please note any corrections to social security numbers after your last payroll of the year will incur additional charges for the adjustment.

Tip #4

Reminder

Friday, December 27, 2019 is the last day to process payrolls with a 2019 pay date for direct deposit or checks. Please be aware any payroll or adjustment runs that are necessary after this date may incur additional charges.

Tip #5

Year-End Payroll Adjustments and Late Prior-Year Payrolls

This information is being provided to ensure you are in compliance, related to any late-processed payroll or adjustments you may have for tax year 2019.
The rules of “Constructive Receipt” require that the actual date of when funds are made available to an employee determines when it is required to be reported to the taxing authorities. See examples below:

1. Adjustment processed 01/03/2020, funds made available to employees on 12/31/2019; report in December 2019.

2. Adjustment processed 01/02/2020, but funds not available to employees until 01/02/2020; report in January 2020.

If you determine these adjustments should be processed in the prior tax year, it is likely that some/all of your federal, state and/or local tax deposits may be past due (most federal and state deposits are due within 3 to 5 banking days of the paycheck date but federal taxes over $100,000 are due the next day). Payroll Network may not have sufficient time to collect the tax funds from your bank account under the normal process of an ACH banking transaction, so to expedite the collection of tax funds you may want to consider preparing a Bank Wire. Instructions for a Bank Wire can be forwarded to you upon request. Any deposits deemed late by the taxing authorities with penalty and interest charges assessed will be the employer’s responsibility. Payroll Network will assist with any possible reduction of these charges.

Thank you for your cooperation regarding this issue. Please contact us at support@payrollnetwork.com if you have any questions or would like any additional information.

**Tip #6**

**Tax Changes for 2020**

*Social Security Annual Wage Limit for 2020*

The IRS has announced that the Social Security annual taxable wage limit for 2020 will increase to $137,700 up from $132,900 for 2019.

*Annual Wage Limits Reset for 2020*

Starting with your organization’s first payroll of 2020, all annual taxable wage limits (i.e., SUI, FUTA,...) will reset to $0 for each employee. This means that taxes which had
stopped accruing for most employees during 2019 will start over in 2020, reflecting higher employer tax expenses during the 1st Qtr. of 2020.

State Unemployment Rate Notifications for 2020
Many states began mailing new 2020 state unemployment rates in late 2019. When received, please email them to Payroll Network at: support@payrollnetwork.com.

IRS Announces 2020 Pension Plan Limits and other Tax Provision Amounts
Below are the 2020 Pension Plan limits and other key limit amounts:

- 401(k), 403(b), 457 plans = $19,500 (up from $19,000 in 2019)
- Catch-up Pension Plan contributions for employee’s + 50 or older = $6,500 (up from $6000 in 2019)
- Voluntary Salary reductions for Flexible Spending Arrangements (FSA) = $2,700 (up from $2,650 for 2018)

Tip #7

Looking for your W-2s and/or 1099s?
With iSolved Electronic Delivery you can retrieve your year-end tax documents conveniently – anytime including weekends and evenings. Electronic Delivery increases the security of your personal data because it eliminates paper distribution of W2s—no sensitive documents to misplace.

You will get hard copies of your employees W-2s and/or 1099s delivered to your company address by January 31st if they have not agreed to electronic delivery. The delivery of the W-2s will need a signature verifying receipt of the W-2s.

If you have Employee Self Service enabled, your employees will be able to view their W-2s and/or 1099s online at midnight on February 1st.

After Friday January 3rd, 2020 any adjustments processed will require a W-2c for your employees.

Please contact support with any questions at support@payrollnetwork.com and 301-339-6000 ext. 0.