

Year-end Tips

Year-end 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 into payroll before the close of your 2020 year to properly collect and pay the taxes as well as documenting needed reporting requirements (i.e. SUI / FUTA).

Are there any 2020 checks that need voiding?

If yes, the voided checks must be processed by the last regularly scheduled payroll for 2020. **

Did any of your employees receive Third Party Sick Pay / disability payments in 2020?

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 2020 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 2020, or prior to Q4 adjustments, will incur additional charges for the adjustment payroll runs.**

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.

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Year-end Tip #2 – FFCRA – Audit your FFCRA Leave – Daily Limits Reminder

If you are an employer who is required to offer employees the FFCRA COVID Sick Leave or EFMLA based on the Family First Coronavirus Response Act (FFCRA) that was introduced in March of this year, employers need to ensure they stay in compliance with the daily limits allowed by the act. iSolved allows you to document the hours / pay on the Individual Timecard entry. As the employer, you need to ensure you are documenting the details of the leave for auditing to show you are staying within the daily limits provided in the act.

As a reminder here are the details and daily / total limits for each leave offering:

FFCRA – Employee Sick Leave (80 hours)

- employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider),
- and/or experiencing COVID-19 symptoms and seeking a medical diagnosis;

FFCRA – Employee Sick Leave Daily/Total Limits

- up to \$511 per day and \$5,110 in the aggregate (over a 2-week period).

FFCRA – Family Sick Leave (80 Hours)

- Employee needs to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider),
- or care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19
 - and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor.

FFCRA – Family Sick Leave Daily/Total Limits

- up to \$200 per day and \$2,000 in the aggregate (over a 2-week period)

EFMLA – Expanded Family and Medical Leave (10 weeks)

- Employee is unable to work due to a bona fide need for leave to care for a child whose school or childcare provider is closed or unavailable for reasons related to COVID-19.

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EFMLA - Expanded Family and Medical Leave Daily/Total Limits

- \$200 per day and \$10,000 (over a 10-week period)
- Employee may first take the FFCRA Employee or Family Sick leave at two weeks of paid sick leave followed by up to 10 weeks of paid expanded family and medical leave

Resource for Employer Paid Leave Requirements:

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

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Year-end Tip #3 – Important Information / Thanksgiving Holiday Reminder

Has anybody 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 the system timely and were the proper state taxes withheld? If not, please notify Support at support@payrollnetwork.com to make the adjustments.

Employee Social Security Numbers

Also, check the social security numbers accuracy. The most common reason for corrections was 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.

Thanksgiving Holiday

If you are scheduled to process payroll the week of Thanksgiving, Thursday, November 26, 2020, your payroll must be processed one day earlier than normal.

Please follow this schedule based on the date of your checks and/or direct deposits:

- For a check/direct deposit date of Wednesday, November 25th, input must be received by Monday, November 23rd
- For a check/direct deposit date of Friday, November 27th, input must be received by Tuesday, November 24th
- For a check/direct deposit date of Monday, November 30th, input must be received by Wednesday, November 25th
- For a check/direct deposit date of Tuesday, December 1st, input must be received by Wednesday, November 25th

All payrolls processed on Wednesday, November 25th, will be delivered on Monday, November 30th. If you would like your payroll delivered on Friday, November 27th, please call or email Support so we can setup a special delivery for that Friday (support@payrollnetwork.com).



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Any payroll submissions on Wednesday, November 25th, must be submitted by noon to ensure timely processing.

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Year-end Tip #4 – W-2 Delivery Changes due to COVID-19

Have or will you change your address for W-2 delivery purposes?

We do require a signature for your W-2 delivery. If your office is closed and you are working remotely, we will need to make sure the correct address is set up to where you want your hard copies of W-2s delivered.

Have you considered electronic delivery of your employees' W-2s?

Employee Self Service offers the opportunity for your employees to receive W-2, 1099, and 1095(ACA) forms electronically. Electronic delivery is a secure way to have your employees receive their year-end forms without getting lost in the mail.

Important: All employee updates to addresses and SSNs must be completed/corrected before your last processing of 2020.

If you need us to set up your address or are interested in electronic delivery, please contact Support by sending an email to support@payrollnetwork.com.



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Year-end Tip #5 – Payroll Deadlines for 2020

Tuesday, December 29, 2020 is the last day to process payrolls with a 2020 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.

Before your last 2020 payroll, you should:

- Ensure Employees SSNs and addresses are correct
- Send any Third-Party Sick Pay to support@payrollnetwork.com
- Enter any adjustments to ensure W-2s are accurate
- Enter any Employer HSA Contributions for 2020
- Enter any manual checks you may have provided
- If you offer Group Term Life for your employees, the taxable portion above \$50,000 needs to be entered before the last payroll

Any adjustments to your 2020 Payroll after the last processing of 2020 must be received by 1/4/2021 due to W-2 processing needs.

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Year-end Tip #6 – Avoiding Year-end Payroll Adjustments & Best Practices

Review the Exceptions Report

Please make sure you are reviewing the client report called **Exceptions** when you are previewing your payroll. The Exceptions Report will show if there are any issues still lingering with your employees, such as missing street addresses, duplicate social security numbers, missing tax IDs, and variances. You can view the Exceptions report under Client Reports. If you have any exceptions that you are not sure how to correct, please reach out to Support at support@payrollnetwork.com.

Year-end Payroll Adjustments and Late Prior-Year Payrolls

Last week's tip reminder was to ensure your company is reviewing SSNs, addresses, and entering any manual checks to avoid incorrect W-2s. Reminder – you can additionally send a notification to your employees to help validate their information if your company has Employee Self Service. The best result in a streamlined year-end is to audit and correct payroll information before your last processing of 2020. However, the deadline for any adjustments is **1/4/2021**.

Where do I verify W-2 information in advance?

You can preview W-2s in isolved in advance under these reports:

- Employee W-2 Preview
- Employer W-2 Verification

What if I have to process a late payroll, or need an adjustment at the end of the year?

Here is some information to ensure you are in compliance, related to any late-processed payroll or adjustments you may have for tax year 2020. All adjustments need to be processed by 1/4/2021. Any date thereafter could result in additional fees and place a delay in employees receiving their W-2 information.



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As a reminder, when considering the need for an adjustment, remember 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 (2020 or 2021).

See examples below:

1. Adjustment processed 01/04/2021, funds made available to employees on 12/31/2020; report in December 2020.
2. Adjustment processed 01/04/2021, but funds not available to employees until 01/02/2021; report in January 2021.

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.

Please contact us at support@payrollnetwork.com if you have any questions or would like any additional information.

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Year-end Tip #7 – Important Update to Payroll Network Holiday Schedule

Please keep these important dates in mind to ensure timely payrolls to your employees.

Year-end Payroll – Important Dates

- 12/24/20 – Christmas Eve – please process by 12 noon EST
- 12/25/20 – Christmas – Closed
- 12/29/20 – Last day to process your 2020 payroll
- 12/31/20 – New Year's Eve – please process by 12 noon EST
- 1/1/2021 – New Year's Day – Closed
- 1/4/2021 – Last day for any 2020 Adjustments

Bonus Payrolls

If you are still planning to process a Bonus Payroll outside of your normal payroll for year-end, you must contact our support team before 12/28/2020 to set up a special payroll for this year – support@payrollnetwork.com. These payrolls must be processed by 12/29 if being paid in the 2020 year.

Year-end resources can be found on our [website](#).



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Year-end Tip #8 – Auditing your Information and W-2 Previews

Have you reviewed your Exception Report?

Please review your Exception Report to ensure you do not have any exceptions or Tax Variances (SSN Issues, Missing Addresses, Missing DOB, Tax IDs Missing). You can find under the following report:

Reporting > Reports On-Demand > Exceptions/Tax Variances

You can also preview your W-2's in advance to ensure the data looks accurate under the following report:

Reporting > Client Reports > Employee W2 Preview

Reminder – Payroll Network Important Dates

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- 12/25/20 – Christmas – Closed
- 12/29/20 – Last day to process your 2020 payroll
- 12/31/20 – New Year's Eve – please process by 12 noon EST
- 1/1/2021 – New Year's Day – Closed
- 1/4/2021 – Last day for any 2020 Adjustments

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

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Year-end Tip #9 – COVID Legislation & Webinar

COVID Relief Bill: Tax Credits for Paid Leave Extended to March 31

We will continue to closely monitor the legislation and will provide details as the iSolved system is updated to reflect the new guidance. To keep you updated, we are renewing our weekly COVID-19 Webinar Series starting January 6, 2021 at 11:00 AM.

FFCRA Sick Leave

Extension of the FFCRA Tax Credits taken extended through March 31, 2021. Should you have COVID FFCRA Leave for an employee in 2021, users may continue to use the existing earnings and memos supported in 2020 to take advantage of the credits in 2021. Please remember, any hours and/or dollar limits entered on these earnings in 2020 reset when 2021 payments are made - as the client, you will need to ensure the employee is not paid over the limits between the two years.

- Offering EPSL (Employee Paid Sick Leave) and EFMLA after December 31 will become optional for employers.
- An employee will no longer be entitled by law to take EPSL or EFMLA, even if they have a qualifying reason.
- Employers who choose to offer these paid leaves can still receive a tax credit if they follow the current EPSL and EFMLA rules, including job protection.
- With one possible exception (see below), employees will not get new hours to use—the unused portion of their original allotment that remains on January 1 is how much they will be able to use through March 31. For instance, if an employee who was entitled to 80 hours of EPSL between April 1 and December 31 used 40 of those hours in 2020, they'd have 40 hours left to use between January 1 and March 31, 2021.
- Employers who choose to offer EFMLA after December 31 will need to provide a new bank of 12 weeks if their regular FMLA year is the calendar year or another fixed 12-month period that resets before March 31.

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Extension of the Employee Retention Tax Credit Modifications

The bill extends the CARES Act employee retention tax credit (ERTC) through June 30, 2021.

- An increase in the credit rate from 50% to 70% of qualified wages;
- An increase in the limit on per employee creditable wages from \$10,000 for the year to \$10,000 for each quarter

Other Benefits

The new law also extends or revives several other benefits from previous coronavirus-related legislation, some of which are listed below. These aspects of the law are outside the scope of our services, so we are unable to answer follow-up questions. Some of the notable provisions include:

- Reopening and refunding of the Paycheck Protection Program (see your financial or tax advisor for additional information) - eligibility for a second PPP loan is stricter than before.
- Implementing 2nd round of Stimulus Checks
- Providing additional \$300 per week for all workers receiving unemployment benefits, through March 14, 2021
- Extension of the eviction moratorium through January 31, 2021.
- Adding \$20 billion for certain grants pursuant to the SBA's Economic Disaster Injury Loan (EIDL) program.
- Allocation of \$15 billion in aid for live venues, independent movie theaters, and cultural institutions.

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Year-end Tip #10 – Where's my W-2/1099?

As an employer, you are required to produce the year-end tax forms by January 31st. If you do not provide your employees electronic online access to their W-2's, **you must mail or hand-deliver your employee's W-2 to them no later than January 31st.**

- At Payroll Network, W-2s will be produced before the January 31st deadline. Should you opt-out of online electronic tax forms, physical W-2's will be printed and mailed to clients starting January 13th and ending no later than January 31st.
- W-2's will be available in your Employees' iSolved Self Service Accounts by the January 31st deadline. They are located under **Employee Self Service > W2/ACA/1099 Forms**

What is my employee is terminated? How will they receive their W-2?

Payroll Network will mail the W-2 for all terminated employees to the company address provided for W-2 delivery/Year-end forms at your company. They will not be mailed directly to terminated employees. If you have Employee Self Service through iSolved and have the role turned on for terminated employees to have access, they can access their tax forms via iSolved.

What happens if I do not have Employee Self Service?

While electronic tax forms in iSolved are the most secure method of sharing employee tax forms, there are times when an employee's only option is a physical W-2. If you do not have Employee Self Service, Payroll Network will mail the physical W-2s to the company address on file. As a company, you will need to distribute the forms to your employees. You can also access the Year-end tax forms under the employee record in iSolved.

Where's my 1094/1095 ACA information?

The ACA forms are not due in late January (when the W-2/1099's tax forms are due). They are due in the early March timeframe. You will receive notification of these forms in the mid-late February timeframe. Additionally, should your employees have Employee Self Service, these will be available electronically to your employees for timely access.