



**2022**

# Year-end Guide



**PAYSERV**  
PAYROLL SOLUTIONS

# Table of Contents

<b>Client Processing Deadlines</b>	<b>3-5</b>
<b>Year-end Checklist</b>	<b>6</b>
<b>Important Dates to Remember</b>	<b>8</b>
<b>Year End Maintenance Details</b>	<b>9</b>
Audit Tools	9
W-4 Forms	9
Reporting of Employer Sponsored Healthcare Coverage	9
FUTA Credit Reduction	9
<b>Tax Rate Change Notifications</b>	<b>10</b>
IRS and State Notifications for 2023	10
<b>W-2's/1099's</b>	<b>10</b>
W-2 Forms	10
1099 Forms	10
<b>Year End Related Fees</b>	<b>1</b>
<b>Additional Resources</b>	<b>1</b>
<b>ACA Reporting</b>	<b>12-13</b>
<b>Year End Questionnaire</b>	<b>See additional document</b>



Take advantage of the simplified Year-end forms process by opting out of receiving printed copies.

Contact customer support to go paperless!

The end of the year 2022 is fast approaching. This time of year is very busy and can be very stressful for everyone. We hope this year end guide will be useful for you in preparing for the remainder of the year and overall Year-end readiness.

### Important: Deadline for Employers Filing W-2s and 1099s

The Consolidated Appropriations Act of 2016 includes a provision requiring the accelerated W-2 and 1099 filing due date. Due to the increased incidents of tax fraud and Identity theft, the IRS has moved forward with a provision to require employers to report W-2 and 1099 data to the Social Security Administration and IRS by January 31.

It's essential for businesses to be prepared as soon as possible in the months leading up to the due date. This means organizations will have to participate in advanced planning to ensure all documentation is submitted accurately and on time. We encourage human resources and payroll teams to begin planning now and **submit changes and Year-end adjustments early.**

Please pay **close** attention to timelines and important cut-off dates in our Year-end Guide.

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## Client Processing Deadlines

### STANDARD DEADLINES

Payrolls need to be submitted at least two banking days in advance of the check date.

- This allows sufficient time for payroll funding and employee direct deposits to be received and posted by the check date.
- Due to strict banking rules, we will not make exceptions to the two-day rule. If
- you need to process one day before, you will be required to wire funds.
- Payrolls with \$100,000 or more in federal tax liability or total ACH debit of pre-determined system limit or more will also require a wire.

## YEAR-END DEADLINES

Any 2022 payrolls and adjustments must be complete before any 2023 payrolls can be processed. A few important points to remember:

### Bonuses and extra payrolls

- To be included in your 2022 W-2s, you must notify your Customer Support to set up the special payroll run.
- The special payroll must have a 2022 check date to be included on your 2022 W-2. Wiring of funds may be required.

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## Payroll Adjustments

Complete all payroll adjustments (e.g., voided checks, corrections) before or with your last scheduled payroll with a check date of 2022.

**Voiding checks/processing adjustments after a check date of 2023 has been processed requires us to 'Re-Open' the year (see page 10 for applicable fees).**

### Year-end Adjustment Cut-off Date

- We encourage you to process adjustments well in advance of January 11, 2023.
- For adjustments processed after December 31, 2022, please remember that tax agencies may consider tax payments late and you, the customer, will be responsible for penalties and interest that any agency may assess.
- Payroll adjustments must be processed by 5:00 pm ET on January 11, 2023.
- Payroll adjustments made after January 11, 2023, will result in a W-2c for employees as well as amendments; **fees will apply, and adjustments processed after the blackout period has been lifted.**

### Fringe Benefit Adjustments

- In November/December, identify and schedule special payroll adjustments such as group term life, auto allowances, and other fringe benefits.
- As many of these fringe benefits require tax withholding, they will need to be entered with 'live wages' and processed **at the same time as regular payroll run before the end of the year.**
- **IMPORTANT:** If you have new fringe benefits with year, please reach out to your support team early to get the proper codes/taxation set up.

## Third Party Sick Pay

- In November/December, identify if you have Third Party Sick Pay information that must be reported for 2022
- **Please contact your provider and request the information in advance of our cut-off dates.**  
In many cases, the provider can provide you with the needed information you can include in your final regular payroll of 2022.
- **Please be aware we will print all W-2s after January 11th – even if the information is not received.**  
Notifying us of late third-party sick pay being received after January 11 will NOT eliminate the applicable fees for processing late adjustments. Additional fees will apply for late process and reprints of any W-2s.

**Reminder: Process Year-end adjustments early. Do not wait until January.**

## Important:

Payrolls processed in 2022 that have a pay date of 2022 will show up as wages on the 2022 W-2! These wages will not be part of your 2023 Year to Date totals.

### Last day to report 2022 adjustments is January 11, 2023.

Any adjustments made after January 11, 2023 will require an amended return. For adjustments processed after December 31, 2022, please remember that tax agencies may consider tax payments late and you the customer will be responsible for penalties and interest that any agency may assess. Payroll adjustments must be processed by 5:00 pm ET on January 11, 2023.



## YEAR-END CHECKLIST

### Now through early December:

- Review Processing Deadlines and identify your last payroll check date of 2022.
- Review 'Dates to Remember for Year-end,' page 8.
- Review payroll run schedule for 2023 and contact your Customer Support team for any necessary changes.
- Return Year-end questionnaire to Customer Support by November 30, 2022.
- Confirm the Delivery Address for your W-2s. If you have changed mailing addresses, reach out to your support team to ensure proper delivery.
- Call your Customer Support team with any Year-end payroll questions so that there will be sufficient time to resolve any questions/ issues (third party, taxability issues, SSN changes, etc.).

### Include on/before your last scheduled payroll of 2022:

- Perform an audit of employee data related to SSN, name and mailing address and make any updates involved before you process.
- Ensure any employee benefit plan start dates/status/hire dates are up to date. Include any fringe benefits to be reported on 2022 W-2s.
- Reach out to Third-Party Sick Pay providers and request information to be included, if available.
- Enter any additional, manual, and/or voided checks that need to be recorded in 2022.

### If NOT included in last regular payroll with 2022 date, request a special payroll with 2022 check date (if applicable):

- Third Party Sick Pay information should be processed by December 31, 2022. Fees will apply for amendments/adjustments after the deadline.
- Process any Bonus and Fringe Benefits amounts to be included in 2022 W-2.
- Enter any missed additional, manual, and/or voided checks that need to be recorded in 2022, If entering manual checks/voids contact your support team to make sure it's recorded in 2022. This CANNOT be done after January 11, 2023.

**This CANNOT be done after January 11, 2023.**

**By Jan. 16, 2023**

Review and approve ACA Forms by January 16, 2023, if applicable.  
See Pages 12-13 for more information

# Dates to Remember for Year-end

## PayServ Payroll Solutions

Event	Date Observed
<b>November</b>	
Veteran's Day – Federal Reserve Holiday	November 11
Year End Questionnaire Due to PayServ	November 30
Thanksgiving –Federal Reserve & PayServ Holiday (Offices Closed)	November 24
Day After Thanksgiving – PayServ Holiday (Offices Closed)	November 25
<b>December</b>	
Christmas Observed – PayServ Holiday (Offices Closed)	December 26
Last Day for Regular 2 Day Processing	December 28
<b>January</b>	
First Day to Approve ACA Forms for 2022	January 1
New Year's Day Observed – PayServ Holiday (Offices Closed)	January 2
Year-end Forms Available in Employee Self-Service	January 15
Martin Luther King Day – Federal Reserve Holiday	January 16
Last day to approve ACA Forms for a guaranteed delivery prior to January 31	January 16
Deadline to distribute ACA forms to residents of California and Rhode Island	January 31
<b>February</b>	
Last day to approve ACA Forms for a guaranteed delivery prior to March 2nd	February 6
Presidents' Day – Federal Reserve Holiday	February 20
<b>March</b>	
Deadline to distribute ACA forms to meet Federal and remaining state deadlines	March 2
Deadline for ACA electronic transmission to the IRS	March 31



# Year-end Maintenance Details

## Audit Tools

Employee W-2 information must be correct as the IRS may charge a penalty for filing W-2 forms with incorrect information. We strongly encourage you to start auditing your employee records now – before the busy holiday season!

- Please verify Social Security Number, name, and address for each employee (the name and number must be exactly as it appears on the employee's Social Security card).
- For your convenience, please use the following report for verification purposes:  
[Reports > Client Reports > Employee W-2 Verification > Run report.](#)
- Any updates to name, Social Security Numbers or addresses should be made immediately. Access your employee records and make corrections in isolved as follows:  
[Employee Management > Employee Maintenance > General.](#)

## W-4's

Send a reminder to your employees regarding submitting a new W-4 for 2023. Employees who are currently claiming **exempt** from withholding must submit a new form W-4 by February 15, 2023, to maintain that status. Employers are required to begin withholding federal tax for those employees who fail to provide a new W-4 by that date. Also, any employees who have experienced a life event may need to submit a new W-4 due to the change in number of allowances.

## Reporting of Employer-Sponsored Health Coverage

The Affordable Care Act requires that employers must report the cost of employer-provided health care coverage on Forms W-2.

- Reporting is mandatory for employers that file 250 or more Forms W-2 during the prior calendar year.
- The amount reported should include both the portion paid by the employer and the portion paid by the employee.
- Please contact Customer Support to discuss the entry of the employer portion of the health insurance premium.
- **It is your responsibility to preview your W-2s and verify the amounts in Box 12 DD prior to printing W-2s. Review W-2s prior to December 1st and contact your CSR for changes that you need made. Additional fees will be charged if you fail to report changes that result in reprinting of W-2s.**

## FUTA Credit Reduction

Some states take Federal Unemployment loans if they lack the funds to pay unemployment benefits for state residents. If a state has outstanding loans with the federal government, the FUTA credit rate for employers in that state will be reduced until the loan is repaid.

The result of being an employer in a credit reduction state is a higher tax due on the Form 940. This higher tax is considered incurred in the 4th quarter. Therefore, your company will owe additional federal unemployment taxes that will need to be impounded. Future communication will include details regarding the FUTA credit reduction calculations.



# Tax Rate Change Notifications

## IRS and State Notifications for 2023

Unemployment rates and tax filing frequencies are mailed to the taxpayer, not to Payserv - it is imperative these tax-related communications are forwarded to Payserv **immediately**. We require this information in order to ensure your taxes are paid accurately and timely in 2023.

- **Please note: Late tax payments result in interest and penalty charges.** If your federal or state tax filing frequency is changed and you don't notify us, we will not be responsible for any penalties or interest that may be charged

## W-2s/1099s

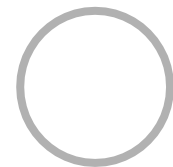
### W-2 Forms

With the understanding that all Year-end processing deadlines have been met and you have reported all necessary information, W-2s will be processed and delivered by January 31, 2023. **We will be printing and shipping all W-2 forms to your Year-end address – the W-2s cannot be sent to multiple addresses. Contact your customer support representative to verify your Year-end shipping address.**

### 1099-NEC and 1099-MISC Forms

Please fill out the attached Year End Questionnaire if you are requesting isolved to print 1099 forms for 2022. The Year End Questionnaire must be returned no later than November 18, 2022. You are also responsible to report all 1099-NEC/1099-MISC **wages** before processing your final payroll of 2022, amendment fees will apply. We will file 1099s with the Federal Government and the states of Connecticut, Pennsylvania, and Utah.

W-2 Forms and 1099 forms will be available for viewing and printing online effective January 15, 2023.



# Year-end Related Fees

Service	Fees
W-2/1099/1095 shipping fees	Per Contract
Re-open previous year payroll (Includes Re-Opening Q4)	\$ 500.00
Re-open previous Quarter (per quarter Q1, Q2 or Q3)	\$ 150.00
Reprint Fee W-2/1099/1095 Form - with no changes (per form – additional shipping fee applies)	\$ 10.00
W-2-change to data: name, address, SSN (per form)	\$ 50.00
W-2 – correction – change to figures (per form)	\$ 150.00
Amended Quarterly Return (per form, per tax jurisdiction)	\$ 100.00 Each
1099 processing base charge	Minimum of \$50.00
1099 per charge (per form)	Minimum \$6.50
Expedited tax payment fee	\$ 50.00

## Additional Resources

Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>
Social Security Administration	<a href="http://www.ssa.gov">www.ssa.gov</a>
Bureau of Labor and Statistics	<a href="http://www.bls.gov">www.bls.gov</a>
State Agencies	<a href="http://www.taxsites.com">www.taxsites.com</a>
State Unemployment	<a href="http://workforcesecurity.doleta.gov/unemploy/agencies.asp">workforcesecurity.doleta.gov/unemploy/agencies.asp</a>
American Payroll Association	<a href="http://www.americanpayroll.org">www.americanpayroll.org</a>

## ACA Reporting for 2022

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Employers are subject to the Affordable Care Act filing if you meet either of the following criteria:

- If you averaged at least 50 full-time employees (including full-time equivalent employees) during the prior calendar year, you are considered an Applicable Large Employer (ALE). The IRS has defined a specific formula for this and there is a report available in the system to assist in this calculation.
- If you offer Self-funded medical insurance, regardless of the size of your company. If you are unsure if this applies to you, please check with your broker or insurance provider.

Under the Affordable Care Act's employer shared responsibility provisions, applicable large employers (ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their dependents), or potentially make an employer shared responsibility payment to the IRS.

### ACA Year-end Preparation

By now you should confirm that your ACA reporting year is set up in Payserv for 2022. Employers should already be compiling and analyzing data now to determine offers of coverage and affordability. We recommend you review our ACA articles available in the Isolved University. We will also provide a Year End ACA Reporting Guide to the Quick Links section in Isolved. This guide will help you familiarize yourself with the necessary steps you will need to take to ensure a smooth ACA reporting process.

For assistance with ACA Year-end Preparation: <https://learning.myisolved.com/library/articles?search=aca>

Navigate to Library> Articles, type 'ACA' in the search bar.

Questions, please reach out to your customer support team for assistance.

### ACA Year-end Requirements

Employers are responsible for two important components of ACA Year End requirements: Furnishing and Filing. You need to **furnish** individual 1095 forms to all employees who were full-time during 2022. These forms will contain information about when/if coverage was offered, whether the offered coverage was affordable (based on the IRS guidelines), and if self-funded, which employees and dependents were covered throughout the year. Depending on individual state requirements, employees may need this form to provide proof of coverage for tax year 2022.

Payserv will electronically file your 1094 & 1095 forms to the IRS **only after your ACA Forms have been approved in the system.**

### Employer Responsibility

It is the employer's responsibility to carefully review, make any necessary corrections, override portions of the forms that cannot be automated, and approve ACA forms by the February 6th deadline. If you do not approve your forms by February 6th – we cannot guarantee delivery or filing to meet the IRS deadline. Additional fees will apply for late approvals. Should you have any questions, please reach out to your customer support team for assistance.

Note: It is the responsibility of the employer to ensure 1094 and 1095 information is accurate and up to date. Should the files reject or come back as "Accepted with Errors," fees will apply for sending additional corrected files to the IRS.

ACA employer IRS filing requirement is not considered complete until you receive confirmation that your ACA files were successfully transmitted to the IRS, as either Accepted or Accepted with Errors. The Payserv ACA team will provide this filing status no later than 06/30/2023.

## Important Deadlines for Reporting

Start Approving Forms	1/1/23
Payserv deadline for forms approval to guarantee form delivery prior to 1/31	1/16/23
Form distribution deadline for residents of California and Rhode Island	1/31/23
Payserv deadline for forms approval to guarantee form delivery prior to 3/2	2/6/23
IRS deadline for electronic ACA file submission	3/31/23

## ACA-Related Fees

Service	Fees
1095 processing base charge	Per Contract
1095 per form charge	Per Contract
1095 shipping fees	Per Contract
Duplicate 1095	\$10.00 each
Printing a corrected 1095	\$25.00 each
Rejected File Replacement & Submission	\$75.00
Correction file & Submission	\$75.00

Billing for ACA charges will occur after you 'Approve' your forms beginning in January 2023.

## Additional Resources

IRS Q&A

[www.irs.gov/Affordable-Care-Act/](http://www.irs.gov/Affordable-Care-Act/)