

PAYDAY

EMPLOYER SOLUTIONS

Year-End Newsletter

2021

The home stretch...

Once again year-end is almost here. We realize how busy your workday can get and how the time can just get away from all of us, especially at this time of year. Everyone at PayDay will work with you to make sure that your needs are met during this busy season.

- You will find a W2 Edit Report in your last November payroll package. It is imperative that you **RE-VIEW THE INFORMATION AND NOTIFY US IMMEDIATELY IF CHANGES ARE NECESSARY**. The information on the W2s should agree exactly with employees' SS cards.
- Many year-end payrolls include large distributions, bonuses, commissions, etc. As a reminder, we may request a change in funding for any payroll larger than your 6 month average. Such as:
 - Bonuses/Payroll processed with tax liability exceeding \$100,000** – *the liability due must be wired the day of processing*
 - Payroll exceeds \$500,000 (but it normally does not)** – *process four business days ahead (Monday for Friday check date) OR wire total payroll liability*
 - Payroll includes a net check of over \$100,000 for one individual** – *process four business days ahead (Monday for Friday check date) OR wire total payroll liability*



Inside...

- Tax Updates
- Preparing for YE 2021
- Holiday Processing Schedule
- & Much More!

Quarter-End Collections

At the conclusion of each quarter and year we compare the total taxable wages for the period multiplied by the applicable tax rate against the total amount of tax collected during the period.

Variations will be credited or debited to your account on Friday January 14, 2022. For an itemized detailing of this transaction please contact your CSR.



PREPARING FOR YEAR-END

ITEMS THAT AFFECT YEAR-END PAYROLL AND TAX PROCESSING

- **Affordable Care Act** – do you employ 50 F/T-F/T equivalents? Are you Self-Insured or own more than one company? Deadline for providing information is December 11; after that timely filing is not guaranteed and late fees will apply.
- Were any of your employees on **disability** in 2021?
- Did you pay any **reportable fringe benefits**, such as group term insurance over \$50,000, dependent care, S-Corp insurance premiums, or personal use of company automobiles?
- Do you have a **100% company funded pension plan**?
- Did you pay any **subcontractors** an amount exceeding \$600 in 2021?
- Did you receive any **notices from taxing authorities** that you have not previously provided to us?
- Did you have an **employer-sponsored health plan, AND do you have more than 250 employees**?

If you answered “yes” to any of these questions, please contact your specialist immediately! Any of the above items may require special processing and/or may delay year-end tax and W-2 processing. If we are not made aware of special circumstances there will be an additional charge to reprocess/amend year-end returns.

SOCIAL SECURITY ADMINISTRATION - W2 MISMATCHES

A reminder that the **Social Security Administration** continues to send notices to employers who filed W2s containing errors and mismatches and will request that corrections be made. Reasons for mismatch: typographical errors, unreported name changes, and inaccurate or incomplete employer records. SSNs never begin with a "000" or "666," and a number beginning with "9" is not a valid Social Security Number, rather it is an "ITIN" (Individual Tax Identification Number). Within the next few years, penalties will be imposed for inaccurate filings.

Remember, if SSA cannot match the name and SSN reported, they cannot reconcile employer wage reports or credit earnings properly to an employee's record.

Employers can create a Business Services Online account (www.ssa.gov/bso), which will allow them to verify social security numbers with names for new hires, or employees requesting name/social security number changes. PayDay offers this service to employers for a small monthly fee. Please ask your payroll specialist if you are interested.

W2 SUBMISSIONS TO FEDERAL AND STATE AUTHORITIES ARE DUE 1/31

You will find a W2 Edit Report in your last November payroll package. It is imperative that you **REVIEW THE INFORMATION AND NOTIFY US IMMEDIATELY IF CHANGES ARE NECESSARY**. The information on the W2s should agree exactly with employees' Social Security cards.

The last day for entering and processing special payrolls including voids, payroll or employee social security corrections, 1099 subcontractor payments, 2% shareholder medical, taxable auto, and other items that must be included on year-end returns is Thursday, December 30, 2021.

The only exception to this deadline is disability reporting that PayDay has been made aware of. The State of NJ and third-party payors do not post year-end statements until the first week of January. Employers must log-in to NJ to download and print year-end summaries for use in preparing W2s. We do not have your PIN or access to your information. Kindly notify your specialist if processing needs to be delayed due to disability payments.

Reprocessing and amendment fees will apply if corrections are required after December 30 and/or returns have already been filed. Amendments will be completed in February/March 2022.





PayDay Holiday Schedule

Tuesday, December 21st

Payrolls reported on this day will be available for delivery on Wednesday, December 22nd.

Direct Deposit will be guaranteed for Thursday December 23rd.

Wednesday, December 22nd

Payrolls reported on this day will be available for delivery on Thursday, December 23rd.

Direct Deposit will be guaranteed for Monday, December 27th.

Thursday, December 23rd

Payrolls reported on this day will be available for delivery on Monday, December 27th.

Direct Deposit will be guaranteed for Tuesday, December 28th.

Friday, December 24th — Closed

Monday, December 27th

Payrolls reported on this day will be available for delivery on Tuesday, December 28th.

Direct Deposit will be guaranteed for Wednesday, December 29th.

Tuesday, December 28th

Payrolls reported on this day will be available for delivery Wednesday, December 30th.

Direct Deposit will be guaranteed for Thursday, December 30th.

Wednesday, December 29th

Payrolls reported on this day will be available for delivery Thursday, December 30th.

Direct Deposit will be guaranteed for Monday, January 3rd.

Thursday, December 30th

Payrolls reported on this day will be available for delivery Monday, January 3rd.

Direct Deposit will be guaranteed for Tuesday, January 4th.

Friday, December 31st — Closed



State Notes:

PA Employers – 2022 PA employer withholding tax deposit frequencies and unemployment rates are being mailed directly to you. Please send both to us – we do not receive this information.

NJ Minimum Wage is \$13.00/hour, DE \$10.50/hour and NY State \$13.20 for most employers effective January 1, 2022.

If you wish to split hours between old minimum wage and new, please provide the breakdown of hours at each rate to your specialist. Otherwise, we will pay the new minimum wage on all hours for checks issued on or after January 1, 2022.

Philadelphia Employers - New in 2022! Beginning in 2022, Philadelphia is changing your Wage Account ID (add 3 zeros to beginning of ID number) and will require quarterly electronic filing of Wage Tax Returns (formerly annual). Please visit the new Philadelphia Tax Center at <https://tax-services.phila.gov/> / #1 to sign up (the old site and PIN number are no longer valid). Once you create your account, a letter ID# will come in the mail and may be used to link any Philadelphia accounts to your login. PayDay needs access to your Wage Account, too, so expect an access request for your approval. Watch for more details!