



YEAR END TIPS

Tip #1

Void and Manual Checks

Do you have any manual checks that need to be entered into the payroll system?

It must be done along with a 2018 payroll process order to properly collect and pay the taxes.

Are there any 2018 checks that need voiding?

These must be processed by the last regularly scheduled payroll for 2018.

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 the 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 2018 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.

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 anybody moved during the year?

Please correct any address changes for your employees so that their W-2s will have the current address.

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.

Tip #4

Reminder

Thursday, December 27, 2018 is the last day to process payrolls with a 2018 pay date for direct deposit or checks.



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 2018.

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 01/02/2019, funds made available to employees on 12/31/2018; report in December 2018.
2. Adjustment processed 01/02/2019, but funds not available to employees until 01/02/2019; report in January 2019.

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- ACA

Tax Changes for 2019

Social Security Annual Wage Limit for 2019

The IRS has announced that the Social Security annual taxable wage limit for 2019 will increase to \$132,900 up from \$128,400 for 2018.

Annual Wage Limits Reset for 2018

Starting with your organization’s first payroll of 2019, 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 2018 will start over in 2019, reflecting higher employer tax expenses during the 1st Qtr. of 2019.



State Unemployment Rate Notifications for 2019

Many states began mailing new 2019 state unemployment rates in late 2018. When received, please email them to Payroll Network at: support@payrollnetwork.com.

IRS Announces 2019 Pension Plan Limits and other Tax Provision Amounts

Below are the 2019 Pension Plan limits and other key limit amounts:

- 401(k), 403(b), 457 plans = \$18,500 (up from \$18,000 in 2017)
- Catch-up Pension Plan contributions for employee's + 50 or older = \$6,000 (unchanged from 2017)
- Voluntary Salary reductions for Flexible Spending Arrangements (FSA) = \$2,650 (up from \$2,600 for 2017)

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 4th, 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.