



**Deadlines for 2020**

The federal government requires employer copies of W-2's to be filed by **January 31<sup>st</sup>**. Timing has never been more critical for accurate reporting of all payroll data before the end of the year.

**We will be mailing W2's directly to your employees by the last week of January.**

Please review the **Year End Administrator Checklist** and the **Supplemental Payroll Request Form** available for download within WebHCM via **My Info > Help > Download Documentation.**

You need to notify us of any earning or tax information that is not part of your ordinary payroll, but needs to be reported on your employees' W-2's. Please notify us prior to **December 18<sup>th</sup>** if you anticipate any supplemental or adjustment payroll runs. Reporting taxable fringe items with your regularly scheduled payroll allows associated taxes to be withheld from your employee's normal payroll check. If they are reported separately or the affected employee has terminated, the employer will often have to fund both employee and employer shares.

**Some of the items to consider are:**

Handchecks, voids or bonuses paid after your last scheduled payroll run for the year
'S' Corporation officer's medical
Employer provided life insurance in excess of \$50,000
Personal use of company provided vehicles
Reportable qualifying employee gifts or awards
Employer contributions to a non-qualified deferred compensation or retirement plan
Any other taxable fringe benefits (Employer HSA Contributions for W2 Disclosure and CA Tax Reporting, Health Club Memberships, Unsubstantiated Cash Payments, etc.)
Employer paid moving expenses
Allocated Tips
Sick or disability pay reported to you by a third-party administrator

If you are unable to quantify any of these items before December 31<sup>st</sup>, please email us to let us know when you will have the information necessary to prepare and file your W-2's. Keep in mind that any 2020 payroll run after December 31<sup>st</sup> will invariably result in a late deposit of payroll taxes and will carry a minimum fee of \$500 to re-file a previously closed year.

You must provide us with any significant company changes or additions **three weeks** prior to the first scheduled 2021 payroll. Changes to voluntary deductions, accrual plans and GL mappings are examples of items requiring re-configuration time.

**Employer W-2 Health Care Cost Reporting Mandate**

Employers with over 250 W-2's for tax year 2019 will be required to report the value of employer sponsored medical care coverage on the 2020 W-2. Small employers, defined as those who filed fewer than 250 W-2 Forms for 2019, will not have to comply until 2021. If you are mandated to comply in 2020 please call Innovative for instructions on how to track the healthcare coverage cost within the system.

**Free Training Classes Online**

We introduced a new tool this month that will allow you to review all of the available classes via the web or the Acuity Scheduling Client app, and then register for as many as you would like. After you register for a class, you will receive an email with class details and a webinar link. You will also receive a reminder 24 hours prior to the start of the class.

Please be sure to review the class schedule each month as we will rotate some topics based on demand and we will continue to add additional classes. Here is the link to view the training class offerings and the upcoming schedules:

<https://innovativewebhcmtraining.as.me>

**ACA Reporting Deadline Extended for Employee Copy**

Employers that had at least 50 full-time employees, including full-time equivalent employees on average last year are required to provide Form 1095C to the employee by **March 3rd**. Paper copies of Form 1095C and Form 1094C are due to the IRS by February 28<sup>th</sup>. Employers with over 250 forms must file the forms electronically via the IRS e-services website. The electronic filing deadline is March 31<sup>st</sup> for voluntary and mandatory filers.

**California Minimum Wage**

California has adopted a phased in schedule of new minimum wage rates based on the number of active employees in your company.

Hourly Rate	26 Employees or More	25 Employees or Less
\$13.00	Jan 1, 2020	Jan 1, 2021
\$14.00	Jan 1, 2021	Jan 1, 2022
\$15.00	Jan 1, 2022	Jan 1, 2023

**IBS Client Support System**

Clients have access to our Client Support System 24x7 (responses will be made during business hours only). We encourage you to take advantage of this tool by directing all non-urgent support issues to: [IBSupport@ibspayroll.com](mailto:IBSupport@ibspayroll.com)

As always, clients have access to immediate phone support during business hours. If you have a situation that requires immediate attention, please call us at:

**WebPay Support (707) 586-4301**  
**WebTime Support (707) 586-4302**  
**WebHR Support (707) 586-4303**  
**Tax/Banking Support (707) 586-4304**

**Check Out Our New Website at**

[www.ibspayroll.com](http://www.ibspayroll.com)

<b>FEDERAL TAX RATES:</b>			
	<b>FSOC</b>	<b>FMED</b>	
Maximum Earnings	\$142,800	No Limit	
Rate of Tax - Employer	6.2%	1.45%	
Rate of Tax - Employee	6.2%	<b>1.45% up to \$200k</b> <b>2.35% over \$200k</b>	
Maximum Deduction	\$8,853.60	No Limit	
<b>FUTA</b>			
Maximum Earnings	\$7,000		
Net Tax (After Maximum Allowable Credit)	0.6%		
Federal Withholding Supplemental Tax Rate	22%		
Mileage Reimbursement	\$0.575		

<b>CALIFORNIA TAX RATES:</b>			
	<b>CADI</b>	<b>CAUI</b>	<b>ETT</b>
Employee or Employer Tax	Employee	Employer	Employer
Maximum Earnings	\$128,298	\$7,000	\$7,000
Rate of Tax	1.2%	3.4% *	0.1% *
Maximum Deduction	\$1,539.58	*New Employer Rates	
<b>CA Withholding Supplemental Rates</b>			
Bonus/Stock Options	10.23%		
All Other Supplemental Pay	6.60%		
CA Minimum Wage	\$13.00	or	\$14.00
<b>Overtime Law:</b> Rate of pay times 1.5 after 8 hours in a day or 40 hours in a week. Rate of pay times 2 after 12 hours in a day or after 8 hours on the seventh day.			

<b>F.S.A. LIMITS:</b>		
	<b>Limit</b>	
Dependent Care	\$5,000	
Medical Expenses	\$2,750	
<b>H.S.A. LIMITS:</b>		
<b>Plan</b>	<b>Limit</b>	<b>Catch-Up Contrib. (age 55 &amp; over)</b>
Individual	\$3,600	\$1,000
Family	\$7,200	\$1,000

<b>PENSION PLAN LIMITS:</b>		
<b>Plan</b>	<b>Limit</b>	<b>Catch-Up Contrib. (age 50 &amp; over)</b>
401k, 403b, ROTH	\$19,500	\$6,500
408p (SIMPLE Plans)	\$13,500	\$3,000
457 (Qualified)	\$19,500	\$6,500
457 (Deferred Compensation)	\$19,500	N/A

<b>FEDERAL TAX DEPOSIT RULES:</b>			
<b>Rule</b>	<b>Determination for Base Period</b>	<b>Deposit Requirements</b>	
		<b>Check Day</b>	<b>Deposit Day</b>
Monthly	If the accumulated tax liability is less than or equal to \$50,000 for the base period	Any Day	Deposit Monthly by the 15th of the following month
Semi-Weekly	If the accumulated tax liability is greater than \$50,000 for the base period	Wednesday-Friday	Following Wednesday
		Saturday-Tuesday	Following Friday
<b>Exception Rules</b>	<b>Tax Liability Amount</b>	<b>Deposit Day</b>	
\$2500 Rule	If the tax liability is less than \$2500 for the entire quarter	Liability may be paid with the quarterly tax return	
\$100,000 Rule	If the accumulated tax liability is \$100,000 or more for any check date	Deposit next business day	

The deposit schedule for an employer during a calendar year is based on four quarters. The deposit frequency base period is July 1st to June 30th of the previous year. For 2021, the base period is July-September (3rd qtr) 2019, October-December (4th qtr) 2019, January-March (1st qtr) 2020, April-June (2nd qtr) 2020. The IRS will notify employers of their deposit frequency in November. However, it is the employer's responsibility to deposit federal taxes at the correct frequency if the notice is wrong.

<b>CALIFORNIA STATE TAX DEPOSIT RULES:</b>				
<b>Your Federal Deposit Schedule is</b>	<b>And You Have Accumulated State PIT Withholding</b>	<b>SDI &amp; PIT Deposit Required</b>	<b>If Payday is</b>	<b>Deposit Due</b>
Next Banking Day	Less than \$350	NO	Any day	Quarterly
	\$350 to \$500	YES	Any day	15th of following month
	More than \$500	YES	Any day	Next Banking Day
Semi-Weekly	Less than \$350	NO	Any day	Quarterly
	\$350 to \$500	YES	Any day	15th of following month
	More than \$500	YES	Wed-Fri	Following Wednesday
Monthly	More than \$500	YES	Sat-Tues	Following Friday
	Less than \$350	NO	Any day	Quarterly
	More than \$350	YES	Any day	15th of following month
Quarterly	Less than \$350	NO	Any day	Quarterly
	\$350 or more	YES	Any day	15th of following month

Employer contributions to SUI and ETT are due quarterly. For withholding taken for employees' PIT & SDI, CA state deposit rules generally follow federal deposit guidelines. Once an employer makes a next banking day deposit, they automatically become a semi-weekly depositor for the remainder of that calendar year and all of the following year.