

EMPLOYEE AND EMPLOYER INDICATIVE DATA

Prior To Processing Your Last Payroll of 2020:

- Verify Employee names and Social Security numbers are correct, including employees terminated in 2020
- Confirm you have current employee addresses, including employees terminated in 2020, for W2 purposes

Note: go to [My Info > My Reports > My Saved Reports](#) and filter for the **W2 Address Verification** report in the Saved As Name column. Before reviewing, change the Tax Year to 2020.

The report also enables you to verify W2 specific information such as wages, retirement plan flag, box 12 and box 14 items.

- Check that your company name, Tax IDs and address were correct on the tax document in the Q3 tax package. Prior to your last 2020 payroll, send any changes to IBSSupport@ibspayroll.com

Note: go to [My Info > My Reports > Payroll Reports > Taxes > Tax Documents](#)

EMPLOYEE AND EMPLOYER QUANTITATIVE DATA

- Verify you have processed the following information **before or with your last payroll with a 2020 Pay Date:**
 - Manual checks
 - Voided checks
 - Group Term Life
 - Taxable Fringe Benefits/Non-Cash Benefits
 - Third Party Sick Pay Wages
 - Other Compensation
 - Personal Use of Auto (Company Vehicle)
 - ER + EE Medical Cost on W2, if applicable
 - S Corp Health (Officers Medical)
 - FFCRA and/or CARES Act earnings

IMPORTANT NOTES AND REMINDERS

All adjustments noted above, including manual / handwritten checks, must be recorded in a payroll **with a 2020 Pay Date** to be included in 2020 W2's.

Payrolls must be processed by 1:00pm **two banking days prior** to the Pay Date/Check Date (*or three days if you exceed the direct deposit or tax threshold*).

To schedule your year-end payroll runs, please complete and send the Special or Supplemental Payroll Run form to IBSSupport@ibspayroll.com **at least 5 business days prior** to the day you will be submitting/finalizing. If you have questions when completing the form, please call 707-586-4300 for assistance. The form can be downloaded in WebHCM via [My Info > Help > Download Documentation](#).

If you have adjustments to record in 2020 after your last scheduled payroll for the year, you must **notify IBS prior to 12/18/20** by sending an email to IBSSupport@ibspayroll.com.

YEAR END ADMINISTRATOR CHECKLIST

EMPLOYER TAX INFORMATION

- Send ALL tax rate notices to IBSSupport@ibspayroll.com
- Always forward tax agency deposit change notifications to IBSSupport@ibspayroll.com
- Notify Innovative Business Solutions if you need to delete any state or city tax jurisdictions for the new year

HOLIDAY REMINDERS

December 25th and January 1st are Innovative and Bank holidays. Payrolls must be processed by 1:00pm **two banking days before the Pay Date/Check Date** (or three days if you exceed the direct deposit or tax threshold).

It is very important that you carefully check that your Pay Date is correct before you start processing payroll.

Please send an email to IBSSupport@ibspayroll.com if you plan to adjust your payroll processing date or pay date due to the holidays.

If your **pay date falls on December 25th**, and your employees have direct deposit:

- The direct deposits will not settle into their accounts until December 28th
- To avoid this situation, you may choose to adjust your pay date to Thursday, December 24th
- In order for the direct deposits to settle into the employee bank accounts on December 24th, the payroll will need to be submitted to IBS for processing no later than 1:00 p.m. on **Tuesday, December 22nd**

If your **pay date falls on January 1st**, and your employees have direct deposit:

- The direct deposits will not settle into their accounts until January 4th
- To avoid this situation, you may choose to adjust your pay date to Thursday, December 31st
- In order for the direct deposits to settle into the employee bank accounts on December 31st, the payroll will need to be submitted to IBS for processing no later than 1:00 p.m. on **Tuesday, December 29th**

ADDITIONAL DATE BASED REMINDERS

- Plan to distribute **Earned Income Tax Credit (EITC)** notification(s) to employees within one week of providing employees with an annual wage summary (Form W-2)

Note: search for 'EITC' in Download Documentation for a sample notification to download via [My Info > Help > Download Documentation](#)

- By the last week of January:** W2's will be mailed directly to your employees (deadline is February 1st)
- February 18th:** deadline to receive new Form W-4s for employees claiming exempt
- ACA Reporting:**
 - **March 2nd:** Form 1095-C due to both active and terminated employees (during 2020)
Note: extended deadline for distribution of the 1095-C form [to employees](#) (IRS Notice 2020-76)
 - **February 28th:** Mail in filing of 1094-C and 1095-C to IRS (under 250 forms paper forms)
 - **March 31st:** Electronic Filing of 1094-C and 1095-C to IRS (over 250 forms)

BEFORE YOUR FIRST PAYROLL IN 2021

Three weeks prior to the first scheduled 2021 Payroll: Provide Innovative with any significant company changes (e.g., accrual plans, voluntary deductions (e.g., Medical, Dental, Retirement), GL configuration, etc.

- Update employee Federal and State **Withholdings**
Note: 2020 Form W-4 is required for all new hires and for employees who need to make adjustments
- Update employee records with any additional changes (e.g., deduction, earning, time off accrual)
- Review 2021 **State and Local/City Minimum Wage** changes. Update employee records and any rate tables, as applicable
- Review 2021 **Mileage Rate** and update rate table in WebHCM, as applicable

FFCRA EARNINGS

FFCRA Earnings will be reported in Box 14 of the Form W-2 using the following descriptions. For reference, noted below are the corresponding earning code names in the event you receive employee questions regarding the Box 14 description abbreviations.

<u>Box 14 Descriptions</u>	<u>Earning Code Name</u>
EFMLEA	FFCRA CH EFMLA
EPSLA 200	FFCRA DEP Family
EPSLA 511	FFCRA EE Sick

Employers may wish to provide additional information to explain that these wages may limit the amount of qualified sick leave and family leave equivalent credits to which the employee may be entitled with respect to self-employment income. We have uploaded **IRS Notice 20-54 FFCRA Model Language** to [My Info > Help > Download Documentation](#) if you wish to download and distribute to employees.

The full IRS Notice is available via <https://www.irs.gov/pub/irs-drop/n-20-54.pdf>.

HELPFUL RESOURCES

MINIMUM WAGE BY STATE:	http://www.dol.gov/whd/minimumwage.htm http://www.dol.gov/whd/minwage/america.htm
MINIMUM WAGE (CA)**:	https://www.dir.ca.gov/dlse/faq_minimumwage.htm
check for local ordinances	
IRS:	www.irs.gov
IRS W2 INSTRUCTIONS:	https://www.irs.gov/pub/irs-pdf/iw2w3.pdf
IRS PUB 15 (Employer's Tax Guide):	https://www.irs.gov/publications/p15
IRS PUB 15b (Fringe Benefits Guide):	https://www.irs.gov/publications/p15b
IRS NOTICE 2020-54 FFCRA:	https://www.irs.gov/pub/irs-drop/n-20-54.pdf
SSA:	www.ssa.gov
VERIFY SSN:	https://www.ssa.gov/employer/verifySSN.htm
CA TAXABILITY OF EMPLOYEE BENEFITS:	https://www.edd.ca.gov/pdf_pub_ctr/de231eb.pdf

HELPFUL RESOURCES

CA LWDA:	https://www.labor.ca.gov/employmentstatus/employers/
CA DLSE:	https://www.dir.ca.gov/dlse/
APA STATE INFO:	http://www.americanpayroll.org/weblink/statelocal-wider
STATE & LOCAL TAX INFO:	https://www.paycheckcity.com/
ACA SITES	https://www.healthcare.gov/ http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage https://www.irs.gov/pub/irs-drop/n-20-76.pdf
EITC NOTICES:	https://www.eitc.irs.gov/partner-toolkit/employers/employers https://www.irs.gov/pub/irs-pdf/n797.pdf https://www.ftb.ca.gov/file/personal/credits/california-earned-income-tax-credit.html

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