



### Deadlines for 2024

The federal government requires employer copies of W-2's to be filed by **January 31<sup>st</sup>**. All payroll data must be processed by **December 31<sup>st</sup>**.

**We will be mailing W2's directly to your employees by the last week of January. Any address changes must be entered in the system by December 31<sup>st</sup>. For added security the SSN will be masked except for the last 4 digits.**

You need to notify us of any earnings 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 15<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:

Manual Checks, 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 year end, 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 2024 payroll runs after year end will

likely 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 at least **3 weeks** prior to the first scheduled 2025 payroll. Changes to voluntary deductions, accrual plans and GL mappings are examples of items requiring re-configuration time.

### FUTA Credit Reduction Payrolls

A state is a credit reduction state if it has borrowed from the Federal government to fund unemployment benefits and hasn't repaid the loan within the mandated two-year time frame. A reduction in the usual credit against FUTA tax means employers paying wages in the determined states will owe a greater amount of FUTA tax, due January 31, 2025. The Federal government reduces the employer's FUTA credit, thus increasing FUTA by .3%. Each year the loans go unpaid, the FUTA surcharge rate increases by .3%. California and New York currently have loan balances in their Trust Fund accounts.

**The 2024 FUTA surcharge tax rate will be to .9% on taxable FUTA wages for employees in these states. We will be processing the FUTA Credit Reduction payrolls on 12/31/2024.**

### ACA Reporting Deadlines

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 filing of Forms 1094C/1095C to the IRS is no longer allowed.**

Employers with over 10 tax 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.

### Insurance Broker Integration to Employee Navigator Benefits

The Employee Navigator integration automatically syncs employee demographic data and payroll deduction data between Innovative and Employee Navigator in near real-time whenever there is a change or when an employee enrolls in a benefit plan on Employee Navigator. Please call us for more details on pricing and availability.

### California Minimum Wage \$16.50

The minimum wage rate in California will increase to \$16.50 per hour for all employees on January 1, 2025.

**NOTE: Some cities, counties and industries have a local minimum wage that is higher than the state rate. Visit our Year End Hub for links to wage rate details.**

### Secure Act 2.0: Super Catch Up

One of the new features of the Secure Act 2.0 is to expand the ability for employees to contribute higher catchup contributions to their retirement plans. Normally, the catchup contribution limit is \$7,500 per year for those employees reaching the age of 50 in the calendar year. The Super Catch Up allows for an increase up to \$11,250 for employees aged 60-63. Starting in 2025 the system will automatically track this higher limit.

### Innovative Year End Hub

Check out our Year End Hub at [www.ibspayroll.com/year-end-hub](http://www.ibspayroll.com/year-end-hub)



Scan QR Code with your cell phone camera to access the Year End Hub

You will find a wealth of information about important dates, key reminders, year-end checklists and 2025 tax information.

Questions? Call us at **707-586-4300** or use our Client Support System at [IBSsupport@ibspayroll.com](mailto:IBSsupport@ibspayroll.com) (responses will be made during business hours).

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