2015 Year-End Guide
&
Reply Form

To ensure the accuracy and timeliness of your W2s,

Please complete and return the attached REPLY FORM by:

Friday, December 4th

If you fill out this form and return it **electronically** (via PDF) by Dec 4th,
you will be entered into our drawing for either of these two great prizes!!
- $50 gift certificate to Serious Texas BBQ
- $50 gift certificate to Star Liquors

Here's how:

1) Go to our website www.payrolldept.biz.
2) Download the "Year End Reply Form" in the Payroll Dept Newsflash (on the left).
3) Save the form on your computer, fill it out electronically, and email it to your primary payroll processor or info@payrolldept.biz.

Important Dates:

Your 2016 Payroll Schedule will be included in your payroll reports with your first check date of December and it is also attached in the paper version of this package. Please review this as well as the calendars below for the dates our office and banks are closed. Remember, if you have direct deposit for your employees, they cannot be paid on a banking holiday. Please notify us what day you would like direct deposits to credit the employee accounts when you submit your payroll. Keep in mind the debit to the company will happen one business day prior to the employee credits. Your submission deadline is 11:00am at least two business days prior to check date.

We will have your W2s ready for pick-up on Monday, January 11th! Feel free to stop by our office if you would like to pick them up.

- Please do not send your employees individually to pick up their own - they all need to be picked up by you or by another authorized contact.
- If you don't pick up your W2s, we will mail them to your business address on Friday, January 15th.
- Please let us know if your business mailing address has changed this year.
- Make sure you postmark employee W2s by February 1st. For terminated employees, mail them to the last known address you have on file.

NOVEMBER						
SUN	MON	TUES	WED	THURS	FRI	SAT
1 Daylight Savings	2	3	4	5	6	7
8	9	10	11 Veterans Day Payroll OPEN Banks CLOSED	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26 Thanksgiving Day Payroll CLOSED Banks CLOSED	27 Payroll CLOSED Banks OPEN	28
29	30					

DECEMBER

SUN	MON	TUES	WED	THURS	FRI	SAT
		1	2	3	4 YEAR-END REPLY FORM DUE!!	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24 Christmas Eve Payroll CLOSED Banks OPEN	25 Christmas Day Payroll CLOSED Banks CLOSED	26
27	28	29 LAST day to submit 2015 payroll data!!	30	31		

JANUARY

SUN	MON	TUES	WED	THURS	FRI	SAT
					1 New Year's Day Payroll CLOSED Banks CLOSED	2
3	4	5	6 State & Fed Tax due for any 12/31/15 payrolls	7	8	9
10	11 Quarterlies/W2s available for pick up!	12	13	14	15 Quarterlies/W2s not picked up will be mailed!	16
17	18 MLK Day Payroll OPEN Banks CLOSED	19	20	21	22	23
24	25	26	27	28	29	30
31	1 - FEBRUARY Employee W2s MUST BE POSTMARKED!					

Things to look out for during "Year-End":

-If you need to make any changes after your last scheduled payroll, please call us immediately. If you notify us, we will delay your W2 processing to give you time to make these changes. **Any adjustment payroll information for 2015 provided to us after December 31th will incur a $175 fee plus applicable fees for amended returns.**

-You will receive copies of all completed W2 forms with your 4th quarter returns. We charge $20 for each W2 reprint, so please keep these copies on file. We will produce official paper copies for you to pick up on January 11th (mailed to you by the 15th if they are not picked up). For security purposes, we do not mail anything directly to your employees from our office. We will file your Federal W2s (Copy A) and state copies automatically; please do not send anything from your office to these agencies.

-2016 Unemployment Rate Notices will be mailed from the Department of Labor mid-November. If you receive this rate notice, please forward to us as soon as possible.

-**Year-end processing fees** are as followed and are billed with your first payroll in January. There is a base fee of $57.00 plus:

- 10 or fewer W2s - $6.25 each
- 11 to 50 W2s - $5.75 each
- More than 50 W2s - $5.50 each

-**ACA:** We believe we have contacted all of our clients who must meet the requirements of the Affordable Care Act. If you think you may be required because you're part of a larger control group of have 50 or more full-time employee equivalents and we have not contacted you, please contact us by December 4th!

Year-End Reply Form Instructions:

#1: HOLDING Year-End Processing

We start processing W2s on Friday, January 1st. If you need to make any adjustments or changes to your 2015 payroll records, please mark "yes" to item #1 and return your Year-End Reply Form ***as soon as possible – and no later than Friday, December 4th.*** Reasons to put your year-end processing on hold may include:

- You are unsure of a figure or answer to any of the questions below.
- Recording allocated tips (for large food/beverage establishments).
- Recording additional wages that were missed earlier in the year.

2, 3: Verifying W2 Information

Please review your "W2/1099 Edit" carefully – You should have received this report with your last payroll in October and your first payroll in November (use either one). If you have not received this information, please contact your payroll processor as soon as possible.

#4: Bonus Pay Runs

Year-End is a busy time. If you have bonuses that you would like to pay your employees, we will process these separately from your regularly scheduled payroll. To ensure your bonuses receive the time and attention they need, we will process bonus pay runs only on Thursdays or Fridays. Please note, we require you to wire us your tax funds in the event your bonus run creates a $100k or higher tax liability. **The last day to submit bonus info is Wednesday, December 23rd.**

Please answer the following questions when you submit your bonus pay run information:

1. What is the check date you will be using?
2. Are they a secret?
3. Are the amounts you provide to us gross (before taxes) or net (take-home)?
4. Are there any special deductions such as 401(k), Simple IRA, etc. that should happen? Or are there any scheduled deductions that should NOT happen (garnishment rules must still be followed)?
   * Bonuses are considered "eligible wages" for SIMPLE IRA match purposes. Even if the employee does not want to contribute, you may need to match on bonuses if the employee's YTD contributions are higher than the YTD employer match. Please let us know if you would like us to review this.
5. Would you like payments made via direct deposit or live check?
6. If live checks, how would you like them delivered? Hold in our office, USPS mail, or Kangaroo delivery?
7. Would you like them in secure envelopes separate from one another?
8. If live checks, would you like them signed?
9. You may want to consider the tax consequences on bonuses as there are IRS rules around this. We will let the system default (IRS guidelines) unless you specify otherwise.

#5: Third Party Sick Pay

You must report both taxable and non-taxable sick pay made to employees from a third party, as well as taxes withheld on those payments. These payments must be included on the employee's W2 or on a separate form provided by the third party. Please call your third party provider to request this information so you can forward it to us.

#6: Qualified Pension Plans

IRS regulations require that an "X" be displayed in the box on the W2 marked "Pension Plan" for all employees who participated during any part of the year in a Qualified Pension Plan. We need to know if you have a **100% company-funded plan** (no employee deductions through payroll). This box will automatically display an "X" for any employees who have had payroll deductions for a Deferred Compensation Plan such as a 401(k), 403(b) or SIMPLE IRA.

#7: Personal Use of Automobiles

Please provide the dollar value for the year for any personal use of a company vehicle. This is a taxable event and needs to be recorded on the employee's W2. If you need assistance with calculating the dollar value, please consult your CPA.

#8: Group Term Life Insurance

If any of your employees have over $50,000 in company provided life insurance coverage, this is a taxable event for them, and needs to be reported on their W2. If you mark "yes" to this box, we will email you a spreadsheet for calculating the taxable GTL amounts. Please email this spreadsheet back to your payroll rep as soon as possible, but no later than with your last payroll of the year!

#9: Employer Contributions to HSA (Health Savings Account)
Did you (the employer) contribute to an employee's Health Savings Account? Please list these amounts ONLY if these have NOT already been run through our payroll process. These amounts are required to be added to their W2.

#10, 11: S-Corporation Owners (2% or more owners of the business)
Please provide the amount of health insurance under a group plan that the corporation paid on behalf of its owners in question #10. This includes vision and dental insurance, but not life insurance. If you have an HSA account, please list the amount contributed by the company into the owner's HSA separately in question #11. Please only list these amounts if they have NOT already been recorded through our payroll process. **Premiums paid on behalf of owners are considered "eligible wages" for SIMPLE IRA match purposes.

#12: Minimum Wage
Do you pay any of your employees at minimum wage? If so, please let us know what date you would like us to update your rates. The raise goes into effect on hours worked starting January 1st. If that day crosses your pay period, you can choose to split the time. Please let us know on your first payroll in 2016 how you would like the hours split or if you would like to pay the entire pay period at the new rate. If you want to split the hours, please indicate in your submission the total hours per employee prior to Jan 1st and the total hours per employee after Jan 1st.

#13: 1099 Form Preparation
If you paid any contractors through our payroll process, we will only prepare your 1099 forms **if instructed by you to do so.** The main purpose of the 1099 form is to let the independent contractor and the IRS know the amount that was paid to him/her for the year. Unless the amount was paid to an attorney, a 1099 does not need to be issued if it is under $600. If you mark "yes" to this box, we will email you the additional forms necessary for 1099 processing. Please note that there are additional charges for this service.

#14: SIMPLE IRA Employer Match Review
The employer SIMPLE match needs to be 3% of Box 1 wages on each eligible employee's W2 (not to exceed the employee's contribution). We will review this on your final payroll of the year and let you know if there are any discrepancies. The charge for this service is $50.

#15, 16, 17: Additional Requests
Please let us know if you are interested in purchasing any additional items such as Labor Law Posters, 3-Ring Binders, or flash drives!

Last page:
Please fill out our "Authorized Contacts" page completely to ensure our records are correct! Contacts that are currently listed in our system and are NOT listed on this page will be removed from our system.

If you have any questions about any of these topics, please email or call us. We want your year-end process to go as smoothly as possible!

Our phone hours are:
Monday - Thursday: 9am to 5pm
Friday: 9am to 1pm

The Payroll Department, Inc.
2530 Colorado Avenue, Suite 2B
Durango, CO 81301

Phone: 970.259.6960
Fax: 970.259.5331
Email: info@payrolldept.biz
Website: www.payrolldept.biz

2015 YEAR-END REPLY FORM

DUE: Friday, December 4th

**If you email us this completed form via PDF fillable by 12/4,
you will be entered in a drawing for the following prizes:
$50 gift certificate to Serious Texas BBQ
$50 gift certificate to Star Liquors
To do so: Download the form from the "Newsflash" section of our website: www.payrolldept.biz
Then, fill out the form, save, attach, and email your completed form to
your primary payroll processor or info@payrolldept.biz

Client # and Business Name____

Name of person filling out form: _______________________________________

Email address: _____________________________ **Phone #:** ____________________

	YES	NO	
1.			Please **HOLD** on my year-end processing <u>because:</u>
2.			I have reviewed one of the "W2/1099 Edit (S162)" reports which were included in my last payroll of October and first payroll in November. I understand that a minimum of $15 will be charged per corrected W2 if the SSN needs to be changed after 12/31/15.
3.			I have attached the "W2/1099 Edit (S162)" report with **employee <u>changes</u>** to Social Security Numbers and/or addresses.
4.			I understand that **<u>if</u> we have a bonus** pay run, I will include answers to the 9 questions on the instruction sheet. The last day to submit bonuses is Wednesday, December 23rd. * I have a SIMPLE plan and would like the employee bonuses to be reviewed by you because I understand bonuses are eligible wages for SIMPLE matching purposes! ____YES ____NO
5.			We have employees who received **third party sick pay.** I have attached a detailed printed report from the third party administrator.
6.			We have a **<u>100%</u> company funded pension plan** and the amounts have not been recorded through payroll**.** I have attached a printed report with employee names.
7.			We have **<u>personal</u> use of a <u>company</u> vehicle**. Please record the following taxable amounts on these 2015 W2s: $____________ for (name) ________________________________ $____________ for (name) ________________________________

	YES	NO	
8.	◯	◯	We have a **Group-Term Life Insurance Policy** in which at least one employee receives a benefit greater than $50,000. Please email me the forms necessary for processing to the email address listed above!
9.	◯	◯	Our company has contributed to a **Health Savings Account (HSA)** for one or more employees and these amounts have NOT been recorded through your payroll service. Please add the following amounts that the company contributed to these 2015 W2s: $____________ for (name) ________________________________ $____________ for (name) ________________________________ $____________ for (name) ________________________________ $____________ for (name) ________________________________
10.	◯	◯	We are an S-Corporation AND the **company paid health insurance premiums for the owners.** These amounts have NOT been recorded through your payroll service. Please add the following annual premium totals that the company contributed to these 2015 W2s: $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________ * I have a SIMPLE plan and would like these premiums to be reviewed by you because I understand premiums are eligible wages for SIMPLE matching purposes! ◯ YES ◯ NO
11.	◯	◯	We are an S-Corporation AND the **company paid into an HSA for the owners.** These amounts have NOT been recorded through your payroll service. Please add the following amounts that the company contributed to these 2015 W2s: $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________ $____________ for (Owner's Name) ________________________________
12.	◯	◯	I pay one or more of my employees at **minimum wage** and will inform you how I would like to allocate the hours on the first payroll of 2016.
13.	◯	◯	We would like The Payroll Dept to process our **1099 Forms** for payments made to independent contractors in 2015. Please email me the forms necessary for processing to the email address listed above! ($65 base fee plus $6.25 per form)
14.	◯	◯	I would like The Payroll Department to **review our SIMPLE IRA Employer Match Contributions** for any discrepancies. I understand that I am ultimately responsible for ensuring we have met the requirements of our plan. The cost for this service is $50.00.
15.	◯	◯	I would like to purchase the REQUIRED Federal and State 2016 Labor Law Posters from The Payroll Department. Single poster $40 + tax: (Qty)_____ (State #1)_______ (Hold) ◯ or (Mail $8 fee) ◯ Single poster $40 + tax: (Qty)_____ (State #2)_______ (Hold) ◯ or (Mail $8 fee) ◯
16.	◯	◯	I would like to purchase a **3-Ring Binder Notebook** to file all my payroll reports for next year. ($25.00)
17.	◯	◯	I would like to upgrade my 2015 Payroll CD to a flash drive. The upgrade fee adds **$10** to the normal Payroll CD fee.

Authorized Payroll Contact Information

Please list your current authorized contacts. This list should include any business owners, managers, bookkeepers or CPAs. Anyone listed here will be authorized to discuss your payroll account in full. This includes submitting payroll, accessing social security numbers, pay rates, pay history and making any changes to your account.

	PRIMARY CONTACT
NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

	CONTACT #2
NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

	CONTACT #3
NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

	CONTACT #4
NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

***The Payroll Department will DELETE any contacts we have on file that are NOT listed above.**