

Electronic/Magnetic Media Filing

Federal Forms W-2/W-3

The IRS requires employers with 250 or more Forms W-2 to file electronically. Any employer who fails to do so may incur a penalty.

Paychex will electronically file employer federal Forms W-2 and W-3 to the Social Security Administration (SSA) for all clients. Your clients will still receive paper copies of employee Forms W-2 for their employees to file with their individual tax returns. We will include a Form W-3 facsimile in your clients' January tax packages. Please be aware we will not be able to file Forms W-2 and W-3 electronically if:

- We do not have a valid federal employer identification number (FEIN);
- Your client has more than 10 employees and a substantial percentage of the social security numbers (SSN) are missing or invalid
- Your client has fewer than 250 employees and leaves our service on or before Dec. 28, 2018.

NOTE: Incomplete employee information (name, address, SSN) could result in inaccurate or non-filing for certain agencies.

Social Security Administration Note

The SSA has cautioned payroll service providers to watch for duplicate Form W-2 reporting. Duplicate filing occasionally occurs when clients transfer from one payroll service provider to another mid-year. Paychex will prepare and file Forms W-2 for tax year 2018 for all your clients who are on our service at the end of the year. In addition, if specifically requested and paid for, we will prepare Forms W-2 for your clients who were on our service in 2018 but left before the end of the calendar year.

Employee Access Online

Your clients can offer their employees on-demand access to view their Forms W-2, check stubs, retirement balances, and personal and payroll information. With convenient 24/7 access from any browser, mobile device or tablet, employees no longer have to rely on management for timely information.

Federal Form 1099-MISC/Form 1096

The IRS requires payers with 250 or more Forms 1099-MISC to file electronically. A payer who fails to do so may incur a penalty. Paychex will electronically file payer federal Forms 1099-MISC and 1096 for all active clients. Your clients will still receive paper copies of their payer reference copy and payee Forms 1099-MISC. We will include a Form 1096 facsimile in your clients' January tax packages. We will not be able to file Form 1099-MISC electronically if:

- We do not have a valid FEIN for your client; or
- Your client has fewer than 250 employees and leaves our service on or before **December 28, 2018**.

Declining Electronic/Magnetic Media Filing

If any client would prefer to file employer Forms W-2 or 1099-MISC on their own, they must complete a form that is available from their payroll contact. Clients who use the Taxpay® service through Dec. 28, 2018, cannot decline electronic/magnetic media filing.

Did You Know?

Our Paychex Flex® platform provides you and your clients access to 24/7 phone support from our industry-leading payroll specialists. You can take advantage of this extended and dedicated service any time you call your local branch after normal business hours.



Federal Form 8027/8027-T for Restaurant Clients

There are additional tip reporting requirements for large food or beverage establishments. Paychex will file Forms 8027 and 8027-T to report tip allocations on behalf of your clients with our Tax Equity and Fiscal Responsibility Act (TEFRA) service.

State Forms W-2/1099-MISC

Paychex will electronically file state Forms W-2 on magnetic media for clients who use our Taxpay® service through Dec. 28, 2018, and clients who are required to electronically file their information on magnetic media.

For a list of states where Paychex files for all clients regardless of whether they use our Taxpay® service, please see the *Paychex Quarter/Year-End Reference Guide* located at: payx.me/yend.

Reminder: If we process only a portion of your clients' payroll and they are required to electronically file state information on magnetic media, their payroll contact should be notified. We will not be able to electronically file Forms W-2 and 1099-MISC on magnetic media on your clients' behalf if:

- We do not have a valid state identification number for them
- or
- They have fewer employees than the state agency requirement, and leave our service on or before December 28, 2018.

Certain states require a valid social security number for each employee for electronic/magnetic media filing. We will electronically file Forms 1099-MISC on magnetic media for any client who meets the state and local requirements listed in the *Paychex Quarter/Year-End Reference Guide* located at: payx.me/yend.