

# Year-End Reminders

**The year-end deadline to report information or changes for 2019 is Dec. 31, 2019, by 4 p.m.**

or before the first payroll that has a 2020 check date is processed, whichever comes earlier. Our offices will be closed Wednesday, Dec. 25, 2019, and Wednesday, Jan. 1, 2020. For specific holiday processing schedules, contact your Paychex representative.

## ❑ Verify that tax liabilities were collected for bonus checks

- Bonus checks are often processed with regular payroll, but they must be processed independently if a separate payroll journal is necessary or the bonus payroll has a different date from the normal payroll date.
- Verify with your clients how the bonus checks are to be taxed and any adjustments that need to be withheld, as bonus checks might be handled differently than regular payroll checks.

## ❑ Confirm employee names and addresses

- Have your clients review all employee names and addresses and report changes to us by the year-end deadline.
- Ensure that your clients have the necessary federal and state withholding forms available when reporting new employees.
- It is important to verify the correct name and social security number (SSN) for each employee.

*A mismatched name or number can affect the employee's social security wage benefits; wages reported on Form W-2 with mismatch errors will not be credited to that employee's personal earnings record. Instead, the wages will be housed in a "suspense file" until the error is corrected. If the error is not corrected, the wages will never be credited to that individual.*

## ❑ Report other amounts on Form W-2, Box 14

The IRS allows employers to use Form W-2, Box 14 (Other), to report certain adjustments to an employee's pay (e.g., charitable contributions). These can be set up to print in Box 14. Your

clients should use the following guidelines when choosing a title for the adjustment:

- Only the first five letters of the adjustment (earnings or deduction) will print in Box 14.
- Be descriptive. For example, "Misc" might not clearly substantiate a charitable contribution.
- The Paychex payroll representative can change your client's adjustment title before processing their Form W-2.

## ❑ Report third-party sick pay (disability payments)

Third-party companies are required to furnish employers with a sick pay statement of any disability insurance benefits paid to employees during 2019. If a client receives this information after reporting the last payroll of the year, they should call their Paychex payroll representative.

If they have not already done so, clients should notify their insurance company that we will include third-party sick pay on Forms W-2.

*Since this pay might affect quarter-end and year-end returns, including Forms W-2, the processing of returns will be delayed if sick pay is reported after the year-end deadline date. Your clients who use Paychex can expect to receive their returns and Forms W-2 no later than Jan. 31, 2020.*

### Reminder:

**The IRS may charge employers a penalty of up to \$270 for each return** or Form W-2 that has a missing or incorrect SSN or federal employer identification number (FEIN).

We cannot file your clients' federal Forms W-2 electronically if a substantial percentage of the SSNs are missing and your clients have more than 10 employees.