

RE: Planning for Year-End 2023

Dear Payroll Client:

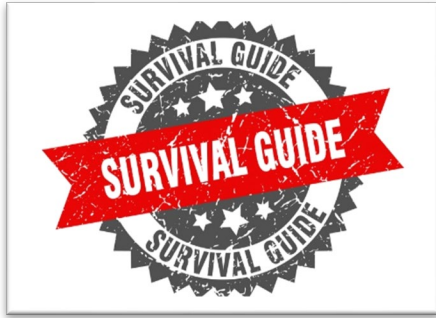
We are fast approaching the end of the year and we want to remind you about some tasks to complete as soon as possible. Please read this newsletter carefully and make it available for future reference.

It is our goal to help you anticipate the information we need from you to complete your payrolls and year-end processing in a timely fashion. Any payroll adjustments and bonuses need to be processed before the end of **December 2023** to ensure you receive no tax penalties.

The attached checklist and forms should be completed and returned to your assigned Payroll Specialist. This will help ensure a smooth year-end process for your company. Any late submissions that trigger a re-run of year-end processing will incur a minimum fee of \$250.

Communication of your year-end activities is critical. If you have any questions, please ask your Payroll Specialist.





Year-End Survival Guide

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1. Important Dates

November 2023							December 2023							January 2024						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2	1	2	3	4	5	6	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
							31													

11/23 - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed

12/08 -Deadline for submission of Bonus Payroll Form & Additional Wage Adjustment Checklist

12/25 - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed

12/29- Last date a payroll can be processed and posted into 2023
(regular, bonus and wage adjustments payrolls)

1/1/2024 - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed

1/5/2024 - Asure must close out 2023 year-end processing; anything processed after **1/5/2024** will require tax amendments

2. Processing Deadlines

Please review your payroll calendar for check dates that occur around the Thanksgiving, Christmas, and New Year’s holidays. November 23rd, December 25th, and January 1st are all banking holidays, so no direct deposit transactions will be posted on these days.

If your check date falls on any of these dates it will need to be moved, employee direct deposits will not be posted until the following banking day. Please notify your payroll specialist with any check date changes prior to submitting payroll.

NOVEMBER 2023 Payroll Processing

day of the week	check date	submit by Day (no later than)	submit by Date (no later than)	Submit Deadline
Wednesday	11/22/2023	Mon	11/20/2023	12 Noon
Thursday	11/23/2023	<i>Asure offices and banks are closed for Thanksgiving holiday</i>		
Friday	11/24/2023	Tue	11/21/2023	12 Noon
Monday	11/27/2023	Wed	11/22/2023	12 Noon

DECEMBER 2023 Payroll Processing

day of the week	check date	submit by Day (no later than)	submit by Date (no later than)	Submit Deadline
Monday	12/18/2023	Thur	12/14/2023	12 Noon
Tuesday	12/19/2023	Fri	12/15/2023	12 Noon
Wednesday	12/20/2023	Mon	12/18/2023	12 Noon
Thursday	12/21/2023	Tue	12/19/2023	12 Noon
Friday	12/22/2023	Wed	12/20/2023	12 Noon
Monday	12/25/2023	<i>Asure offices and banks are closed for Christmas holiday</i>		
Tuesday	12/26/2023	Thur	12/21/2023	12 Noon
Wednesday	12/27/2023	Fri	12/25/2023	12 Noon
Thursday	12/28/2023	Tue	12/26/2023	12 Noon
Friday	12/29/2023	Wed	12/27/2023	12 Noon

*Asure offices will be open normal scheduled hours on Friday, 12/22 and Friday 12/29

JANUARY 2024 Payroll Processing

day o/t week	check date	submit by Day (no later than)	submit by Day (no later than)	Submit Deadline
Monday	1/1/2024	<i>Asure offices and banks are closed for New Years</i>		
Tuesday	1/2/2024	Thur	12/28/2023	12 Noon
Wednesday	1/3/2024	Fri	12/29/2023	12 Noon

3. Bonus / Supplemental Payrolls

We are continuing with our policy regarding bonuses, fringe benefits, and additional wage information payrolls. Please complete and return checklist and forms in the Year-End Newsletter before these special year-end payrolls can be processed. The forms are designed to help your Payroll Specialist accurately process these special types of payrolls. If you have any questions when filling out these forms, please contact your Payroll Specialist.

NOTE: If you are a self-service user who submits payroll, you are responsible for the entry of these types of payrolls. If you have questions, contact your Payroll Specialist as you process these payrolls.

4. Fringe Benefits

Fringe Benefits The value of personal use of company cars or other taxable cash or non-cash benefit must be included on Form W-2. Please report these benefits **BEFORE your last payroll for the year**. Reporting taxable benefits with cash wages allows the appropriate withholding taxes to be deducted from the employee's check. If these amounts are processed without wages, you may be required to pay the employee's portion of Social Security and Medicare taxes. Specific information about several types of benefits is provided below.

Group-Term Life Please report the amount of group-term life coverage in excess of \$50,000 before your last payroll for this year. The value is based on an IRS published table that assigns a value for each \$1,000 of excess coverage per month based on the employee's age.

The value of group-term life insurance coverage over \$50,000 included in total wages is FICA taxable, even if it was provided through a cafeteria plan. As the employer, you are liable for the employee FICA if you decide not to withhold it.

Reporting Third Party Sick Pay (Disability Payments)

By law, insurance companies have until January 15, 2024, to report to you any disability insurance benefits paid to your employees during 2023. Should you receive notification of such payment after reporting your last payroll for the year, please contact your Payroll Specialist immediately.

If you expect to receive third party sick pay information on any employee after your last payroll, let your Payroll Specialist know in advance. Since third party sick pay affects all fourth quarter and year-end returns, including W-2 forms, the processing of your returns will need to be delayed.

5. W-2 Information

Reporting Employer- Sponsored Health Coverage The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of the health care coverage on Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from the employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees with useful and comparable consumer information on the cost of their healthcare coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state, and local government entities.

The value of the health care coverage will be reported in Box 12 of Form W-2 with Code DD to identify the amount. In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. More information can be found at <http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>.

[Employers who filed fewer than 250 Form W-2's for the preceding calendar year are not required to report this information on their 2022 W-2's.](#)

Flexible Spending Accounts Contributions to an FSA are made before taxes and are used to pay non-covered health and dental costs like co-payments, deductibles, eye care, braces, prescription drugs or hospital care. FSA's can also be used to help pay for childcare and approved adult care. This is not required to be shown on the W2 form but can be added to box 14 if you prefer (see Reporting Amounts on Form W-2, Box 14 at the end of this document).

Health Savings Accounts On Form W-2, employers are required to show in Box 12w any employer and employee contributions to a Health Savings Account. **For 2024 the limits have increased to \$4,150 for Single HSA and \$8,300 for Family HSA, with a \$1,000 catch-up contribution allowed for those over the age of 55.**

Dependent Care Assistance On Form W-2, employers are required to show in Box 10 (Dependent Care Benefits) the total amount of dependent care benefits paid or incurred for the employee, including any amount more than the \$5,000 exclusion. If you provided dependent care services to employees under an employer-sponsored program, you must report the benefits paid or furnished by your last scheduled payroll run.

Reporting Amounts on Form W-2, Box 14 The IRS allows employers to use Form W-2, Box 14 (Other) to report information to their employees (e.g., charitable contributions, union dues).

We can set up specific earnings/deduction codes to print in Box 14. If you want an earning/deduction code to print in Box 14, let your Payroll Specialist know during your next scheduled payroll. Please review the earning/deduction code description you use. Only the first five letters of your earning/deduction code description will be printed in Box 14. This title should be as descriptive as possible.

22222		Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a	
		13 Statutory employee Retirement plan Third party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code		15 State		16 State wages, tips, etc.	
15 State		16 State wages, tips, etc.		17 State income tax	
16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.		19 Local income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	
19 Local income tax		20 Locality name			

14 Other

14A: 125_H {Sec125 PreTax Health}
 14B: 125_D {Sec125 PreTax Dental}
 14C: DBL {NYS Disability Ins. >EE}

Form **W-2 Wage and Tax Statement** **2022** Department of the Treasury—Internal Revenue Service

For each item you use, we will label beginning with 14A, 14B, and so on. You may have up to four items listed in Box 14, see box to the left.

Other examples of items reported in Box 14:

- *Union Dues*
- *Educational Assistance Payments*
- *Money Donated to Charities*
- *S-Corp Health*

Codes reported on Form W-2 Box 12 In many cases, you may find an amount entered in box 12 of your W-2 with a code indicating the type of payment that it represents. This is a listing of the codes for Box 12:

Form W-2 Reference Guide for Box 12 Codes

A	Uncollected social security or RRTA tax on tips	L	Substantiated employee business expense reimbursements	Y	Deferrals under a section 409A nonqualified deferred compensation plan
B	Uncollected Medicare tax on tips (but not Additional Medicare Tax)	M	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only)	Z	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A
C	Taxable cost of group-term life insurance over \$50,000	N	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (but not Additional Medicare Tax) (former employees only)	AA	Designated Roth contributions under a section 401(k) plan
D	Elective deferrals under a section 401(k) cash or deferred arrangement plan (including a SIMPLE 401(k) arrangement)	P	Excludable moving expense reimbursements paid directly to members of the Armed Forces	BB	Designated Roth contributions under a section 403(b) plan
E	Elective deferrals under a section 403(b) salary reduction agreement	Q	Nontaxable combat pay	DD	Cost of employer-sponsored health coverage
F	Elective deferrals under a section 408(k)(6) salary reduction SEP	R	Employer contributions to an Archer MSA	EE	Designated Roth contributions under a governmental section 457(b) plan
G	Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	S	Employee salary reduction contributions under a section 408(p) SIMPLE plan	FF	Permitted benefits under a qualified small employer health reimbursement arrangement
H	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	T	Adoption benefits	GG	Income from qualified equity grants under section 83(i)
J	Nontaxable sick pay	V	Income from exercise of nonstatutory stock option(s)	HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
K	20% excise tax on excess golden parachute payments	W	Employer contributions (including employee contributions through a cafeteria plan) to an employee's health savings account (HSA)		

6. Agency Updates

IRS Federal Deposit Notice In late November, the IRS will mail tax deposit frequency change notices to all employers who have a change in their deposit frequency for 2024. We do not automatically receive this information. When you receive these notices, it is especially important that you send them to us at Asure so we can update our records.

State Deposit Frequency Change Notice We do not automatically receive this information from your state(s). When you receive these notices, it is particularly important that you send them to us at Asure so we can update our records. This information is especially important for the timely payment of your 2024 payroll taxes. You should receive this information sometime in the 4th quarter 2023.

Unemployment Insurance Rate Change for 2024 We do not automatically receive this information from your state(s). When you receive these notices, it is particularly important that you send them to us at Asure so we can update our records. This information is especially important for your 1st Quarter Returns in 2024. You should receive this information sometime in the 4th quarter. Please note: **RATE NOTICES RECEIVED AFTER 1/1/2024 WILL RESULT IN ADDITIONAL PROCESSING FEES FOR CORRECTING YOUR TAX LIABILITIES.**

7. 2024 Limits Update

description	for 2024
Social Security taxable wage base - <i>increase</i>	\$168,600
Social Security tax rate - <i>unchanged</i>	6.2%
Social Security tax, <i>maximum for 2024</i>	\$10,453.20
Medicare tax rate - <i>unchanged</i>	1.45%
401k contributions:	
Maximum employee contribution - <i>increase</i>	\$23,000
Catch-up contribution - <i>unchanged</i>	\$7,500
Max employee + employer contribution - <i>increase</i>	\$66,000
403b contributions:	
Maximum employee contribution - <i>increase</i>	\$23,000
Catch-up contribution - <i>unchanged</i>	\$7,500
Max employee + employer contribution - <i>increase</i>	\$66,000
SIMPLE IRA contributions:	
Maximum employee contribution - <i>increase</i>	\$16,000
Catch-up contribution - <i>unchanged</i>	\$3,500
2024 Annual Compensation Limit	\$340,000
<i>This is the max annual compensation that can be considered for retirement contributions.</i>	

Health – Flexible Spending Accounts (FSA)	for 2024
Contribution limit - <i>increase</i>	\$3,200
Maximum carryover limit - <i>increase</i>	\$640

Health Savings Accounts (HSA)	for 2024
Contribution limits:	
Self only- <i>increase</i>	\$4,150
Family- <i>increase</i>	\$8,300
HSA catch-up- <i>unchanged</i>	\$1,000

Additional Hospital Insurance Tax

The Patient Protection and Affordable Care Act requires employers to withhold a 0.9% Additional Hospital Insurance Tax on High Income Taxpayers, this is also known as the "Medicare Surtax". Employers are required to withhold this additional tax on compensation it pays to an employee in excess of \$200,000 in a calendar year. Our payroll system will automatically withhold this additional tax once an employee reaches the \$200,000 level.

8. Miscellaneous

What are the deadlines for W-2s?

Copies of forms W-2 must be furnished to employees by January 31st. It is also the deadline for filing a letter to the Social Security Administration. To meet this filing deadline, Asure must close out 2023 on January 5, 2024. Adjustments submitted after January 5 will require amended tax returns and W-2C forms to employees. Fees for amended returns are \$250 per return. *Please avoid these delays by reviewing the Additional Wage Adjustment Checklist to ensure all items are properly reported before the deadline.*

W-2 and Year End delivery process

Processing of forms W-2 will begin once the year is closed out in our system.

Printed W-2s will be shipped via normal shipping carrier to you, the employer, as well as sent to you electronically. For clients who have previously signed up for Employee Self-Service (ESS) portal, their Employees will also be able to access W-2s through ESS.

Missing IDs, Numbers, Employee information

If we are missing your federal or state identification number or a social security number or address for any of your employees, please report this information to your Payroll Specialist. Federal and state agencies can impose penalties for every employee without a social security number.

Void / Manual Checks with a Check Date for 2023

If you have any void or manual checks not reported to your Payroll Specialist, please do so by your final payroll run of 2023.

Additional processing fees will apply if we re-run quarter/year-end to record these items.

Billing for year-end W-2, 1095, and 1099-NEC forms

Charges for 2023 forms W-2, 1095 and 1099-misc will be *invoiced with the last payroll processed in December.*

Record Retention

Federal and state laws require that your business maintains complete payroll and employee information; regulations vary by state and agency. There are costly fines associated with the failure to retain these records. **Asure will store for 12 months your 2023 payroll history for \$80.00.** The Subscription fee will be applied to the invoice with your last payroll processed in December. If you do not wish to participate in our Record Retention service, you must opt out by December 1st, see link below:

2023 Opt-Out Link: [Record Retention | Asure Software](https://www.asuresoftware.com/record-retention/)
<https://www.asuresoftware.com/record-retention/>

Year-End 2023 Additional Wage Adjustments Checklist

Please complete & submit to your payroll specialist **no later than Monday, December 4, 2023**

Co. ID# _____ Company Name _____ Date: _____

If you will be reporting additional wage amounts for tax year 2023, please check the appropriate options below and return to your payroll specialist **by Monday, December 4, 2023**

Third Party Sick Pay

Checking this option indicates that I (the client) am expecting to receive notice from my Disability Insurance Carrier regarding payments made to employees for 4th quarter 2023 **after** December 31, 2023. Therefore, please hold off on processing my quarterly tax returns until I notify you that all disability information has been received and any additions to 2023 payroll data have been made.

Insurance premiums for Group Term Life (GTL) – reporting required for excess premiums paid

we will be reporting GTL premiums (coverage over \$50,000), **Withhold all taxes**

we will be reporting GTL premiums (coverage over \$50,000), **Block Fed & State taxes**

Additional Manual Checks

Any payroll related checks issued **outside of the payroll system** must be reported and processed to update YTD figures for W-2s and tax liabilities. This should be processed with a regular payroll run.

Allocated Tips

Expense Reimbursements

Moving Expenses taxable non-taxable

Extra Bonus payroll runs - Please complete and return Bonus Payroll Form

Misc Fringe Benefits – Please complete attached addendum page

S-Corp Health Insurance (2% Shareholder)

for reported insurance coverage we will **BLOCK** Federal / State withholding taxes

for reported insurance coverage we will **Withhold** Federal / State taxes

Accident and health insurance coverage provided by an S-Corporation to its 2% Shareholder employees must be reported as income, and the cost of premiums must be reported as income on forms W-2.

Other: _____

Other: _____

Please Note:

- **If you do not have any additional wage adjustments, you do not need to return this form.**
- Asure does not provide tax advice. Please consult your tax professional or legal counsel.
- Please contact your payroll specialist with any questions on this checklist, form, or anything else in the newsletter.

Additional Wage Adjustments - **ADDENDUM**

Please complete & submit to your payroll specialist **by Monday, December 4, 2023**

Fringe Benefits

Under certain circumstances, the value of non-cash fringe benefits must be reported as income to employees.

Fringe Benefit: _____

- Withhold all taxes
- Block Federal and State taxes
- FICA taxable only (exempt from FIT / SIT)

Fringe Benefit: _____

- Withhold all taxes
- Block Federal and State taxes
- FICA taxable only (exempt from FIT / SIT)

Fringe Benefit: _____

- Withhold all taxes
- Block Federal and State taxes
- FICA taxable only (exempt from FIT / SIT)

Fringe Benefit: _____

- Withhold all taxes
- Block Federal and State taxes
- FICA taxable only (exempt from FIT / SIT)

Please Note: If you **do not** have any additional fringe benefits, you do not need to return this form.

Year-End 2023 Bonus Payroll Form

Please complete & submit to your payroll specialist **no later than Monday, December 4, 2023**

Co. ID# _____ Company Name _____ Date: _____

- **PLEASE NOTE** WE WILL NOT PROCESS A BONUS PAYROLL WITHOUT THIS FORM
- Payrolls Exceeding \$100,000 may require funding by WIRE TRANSFER

___ PROCESS BONUS AS A SEPARATE PAYROLL RUN

___ PROCESS BONUS WITH A REGULAR PAYROLL RUN

Issue bonuses as a separate check - YES / NO

Period Ending Date _____ Processing Date _____ Check Date _____

Taxing Options

Choose one of the following taxing options (Consult your tax professional for additional information regarding bonus taxation.) Your Payroll Specialist will use the information below to set up the appropriate taxation for your bonus payroll.

___ Take Regular Taxes

___ Take Regular Taxes Excluding Additional Tax Withholdings

___ I will provide Asure with pre-calculated gross-to-net figures.

___ Take supplemental wage tax for federal (22%) and applicable state, local and FICA Taxes.

Payroll Options (please check all that apply)

___ Block Direct Deposit and Issue Live Checks

___ Block all voluntary deductions except for pensions (retirement contributions)

___ Block all voluntary deductions.

___ Block the voluntary deductions listed: _____

Delivery Options (if different than usual delivery method, select only 1)

___ US Postal Service directly to Employee

___ Ground shipping to the business

___ Next Day Air shipping to the business

___ Client Pickup

Note: If you do not have any additional bonus payments, you do not need to return this form.