

## RE: Planning for Year-End 2024

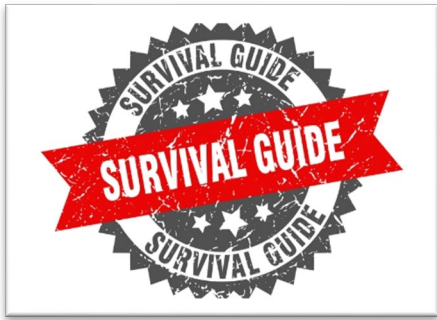
Dear Asure HCM Client:

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 2024** to ensure you receive no tax penalties.

Communication of your year-end activities is critical. If you have any questions, please ask your Client Service Support Representative





# Year-End Survival Guide

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## 1. Important Dates

November 2024							December 2024							January 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7			1	2	3	4	
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	

**12/17** -Deadline for submission of Bonus Payroll Form & Additional Wage Adjustment Checklist

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

**12/31** - Last date a payroll can be processed and posted into 2024 (Same day ACH Fee \$175)  
*(regular, bonus and wage adjustments payrolls)*

**1/1/2025** - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed

**1/3/2025** - Asure must close out 2024 year-end processing; anything processed after **1/5/2025** will require tax amendments.

**\*\*\*PLEASE NOTE - W2s will be shipped via FedEx to the Company Address\*\*\***

## 2. Processing Deadlines

Please review your payroll calendar for check dates that occur around the Christmas and New Year's holidays. December 25th, and January 1<sup>st</sup> are both 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.

## DECEMBER 2024 Payroll Processing

Day of the Week	Check Date	Submit by Day (no later than)	Submit by Date (no later than)	Submit Deadline
Wednesday	12/18/2024	Mon	12/16/2024	12 Noon
Thursday	12/19/2024	Tue	12/17/2024	12 Noon
Friday	12/20/2024	Wed	12/18/2024	12 Noon
Monday	12/23/2024	Thur	12/19/2024	12 Noon
Tuesday	12/24/2024	Fri	12/20/2024	12 Noon
Wednesday	12/25/2024	Asure offices and banks are closed for Christmas holiday		
Thursday	12/26/2024	Mon	12/23/2024	12 Noon
Friday	12/27/2024	Tue	12/24/2024	12 Noon
Monday	12/30/2024	Thur	12/26/2024	12 Noon
Tuesday	12/31/2024	Fri	12/27/2024	12 Noon

## JANUARY 2024 Payroll Processing

Day of the Week	Check Date	Submit by Day (no later than)	Submit by Date (no later than)	Submit Deadline
Wednesday	1/1/2025	Asure offices and banks are closed for New Years		
Thursday	1/2/2025	Mon	12/30/2024	12 Noon
Friday	1/3/2025	Tue	12/31/2024	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, 2022, to report to you any disability insurance benefits paid to your employees during 2021. Should you receive notification of such payment after reporting your last payroll for the year, please contact your Client Service Support Rep 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 2025 the limits have increased to \$4,300 for Single HSA and \$8,550 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.

2222		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		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Locality name
Form <b>W-2</b> Wage and Tax Statement		2024		Department of the Treasury—Internal Revenue Service	
Copy 1—For State, City, or Local Tax Department					

#### 14 Other

14A: 125\_H {Sec125 PreTax Health}

14B: 125\_D {Sec125 PreTax Dental}

14C: DBL {NYS Disability Ins. >EE}

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**

<b>A</b>	Uncollected social security or RRTA tax on tips	<b>L</b>	Substantiated employee business expense reimbursements	<b>Y</b>	Deferrals under a section 409A nonqualified deferred compensation plan
<b>B</b>	Uncollected Medicare tax on tips (but not Additional Medicare Tax)	<b>M</b>	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only)	<b>Z</b>	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A
<b>C</b>	Taxable cost of group-term life insurance over \$50,000	<b>N</b>	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (but not Additional Medicare Tax) (former employees only)	<b>AA</b>	Designated Roth contributions under a section 401(k) plan
<b>D</b>	Elective deferrals under a section 401(k) cash or deferred arrangement plan (including a SIMPLE 401(k) arrangement)	<b>P</b>	Excludable moving expense reimbursements paid directly to members of the Armed Forces	<b>BB</b>	Designated Roth contributions under a section 403(b) plan
<b>E</b>	Elective deferrals under a section 403(b) salary reduction agreement	<b>Q</b>	Nontaxable combat pay	<b>DD</b>	Cost of employer-sponsored health coverage
<b>F</b>	Elective deferrals under a section 408(k)(6) salary reduction SEP	<b>R</b>	Employer contributions to an Archer MSA	<b>EE</b>	Designated Roth contributions under a governmental section 457(b) plan
<b>G</b>	Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	<b>S</b>	Employee salary reduction contributions under a section 408(p) SIMPLE plan	<b>FF</b>	Permitted benefits under a qualified small employer health reimbursement arrangement
<b>H</b>	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	<b>T</b>	Adoption benefits	<b>GG</b>	Income from qualified equity grants under section 83(i)
<b>J</b>	Nontaxable sick pay	<b>V</b>	Income from exercise of nonstatutory stock option(s)	<b>HH</b>	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
<b>K</b>	20% excise tax on excess golden parachute payments	<b>W</b>	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 2025. 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 2025 payroll taxes. You should receive this information sometime in the 4<sup>th</sup> quarter 2025.

**Unemployment Insurance Rate Change for 2025** 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 1<sup>st</sup> Quarter Returns in 2024. You should receive this information sometime in the 4<sup>th</sup> quarter. **Please note:** RATE NOTICES RECEIVED AFTER 1/1/2025 MAY RESULT IN ADDITIONAL PROCESSING FEES FOR CORRECTING YOUR TAX LIABILITIES.

## 7. 2025 Limits Update

Description	for 2025
Social Security <b>taxable wage base</b> - increase	<b>\$176,100</b>
Social Security tax rate - <i>unchanged</i>	6.2%
Social Security tax, <i>maximum for 2025</i>	\$10,918.20
Medicare tax rate - <i>unchanged</i>	1.45%
<b>401k</b> contributions:	
Maximum employee contribution – <i>projected increase</i>	\$23,500
Catch-up contribution under 60 – <i>projected unchanged</i>	\$7,500
Catch-up contribution under 60 to 63 – <i>projected new</i>	\$11,250
Max employee + employer contribution – <i>projected increase</i>	\$70,000
<b>403b</b> contributions:	
Maximum employee contribution - <i>projected increase</i>	\$23,500
Catch-up contribution - <i>projected unchanged</i>	\$7,500
Catch-up contribution under 60 to 63 – <i>projected new</i>	\$11,250
Max employee + employer contribution - <i>projected increase</i>	\$70,000
<b>SIMPLE IRA</b> contributions:	
Maximum employee contribution – <i>projected increase</i>	\$16,500
Catch-up contribution - <i>projected unchanged</i>	\$3,500
Catch-up contribution under 60 to 63 – <i>projected new</i>	\$5,250
<b>2025 Annual Compensation Limit</b> – <i>projected increase</i>	\$350,000
<i>This is the max annual compensation that can be considered for retirement contributions.</i>	

<b>Health – Flexible Spending Accounts (FSA)</b>	<b>for 2025</b>
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Contribution limit - <i>increase</i>	<b>\$3,300</b>
Maximum carryover limit - <i>increase</i>	<b>\$660</b>

Health Savings Accounts (HSA)	<b>for 2025</b>
Contribution limits:	
Self only- <i>increase</i>	<b>\$4,300</b>
Family- <i>increase</i>	<b>\$8,550</b>
HSA catch-up- <i>unchanged</i>	<b>\$1,000</b>

### **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 31<sup>st</sup>. It is also the deadline for filing a letter to the Social Security Administration. To meet this filing deadline, Asure must close out 2024 on January 3, 2025. Adjustments submitted after January 3<sup>rd</sup> 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 FedEx to the company's main address. Employees of clients who are using the Employee Self-Service (ESS) will be able to access W-2s through ESS effective February 1, 2025.

### **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 2024**

If you have any void or manual checks not reported to your Client Support Representative, please do so by your final payroll run of 2024.

***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 2024 forms W-2, 1095 and 1099-misc will routinely be *invoiced with the last payroll processed in December. If for some reason you are not billed on the last payroll, please expect fees to be collected in January.*