

RE: Planning for Year-End 2025

Dear Payroll Client:

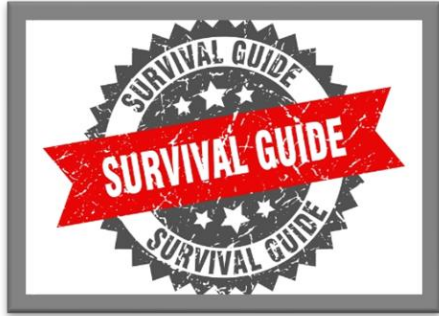
We are fast approaching the end of the year, and we want to remind you about some tasks to complete as soon as possible. Please read this newsletter carefully and make it available for future reference.

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 2025** 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 \$275.

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 2025							December 2025							January 2026						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6				1	2	3	
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31
30																				

11/27 - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed.

12/01 -Deadline for submission of Bonus Payroll Form, Additional Wage Adjustment Checklist & Fringe Benefit Form.

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 2025 (Same day ACH Fee \$182)
(regular, bonus and wage adjustments payrolls)

1/1/2026 - Asure Holiday & Bank Holiday. All Banks and Asure offices are closed.

1/5/2026 - Asure must close out 2025 year-end processing; anything processed after 1/5/2026 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 27th, 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 2025 Payroll Processing

Day of the Week	Check Date	Submit by Day (no later than)	Submit by Date (no later than)	Submit Deadline
Wednesday	11/26/2025	Mon	11/24/2025	12 Noon
Thursday	11/27/2025	Asure offices and banks are closed for Thanksgiving holiday		
Friday	11/28/2025	Tue	11/25/2025	12 Noon
Monday	12/1/2025	Wed	11/26/2025	12 Noon

DECEMBER 2025 Payroll Processing

Day of the Week	Check Date	Submit by Day (no later than)	Submit by Date (no later than)	Submit Deadline
Thursday	12/18/2025	Tue	12/16/2025	12 Noon
Friday	12/19/2025	Wed	12/17/2025	12 Noon
Monday	12/22/2025	Thur	12/18/2025	12 Noon
Tuesday	12/23/2025	Fri	12/19/2025	12 Noon
Wednesday	12/24/2025	Mon	12/22/2025	12 Noon
Thursday	12/25/2025	Asure offices and banks are closed for Christmas holiday		
Friday	12/26/2025	Tue	12/23/2025	12 Noon
Monday	12/29/2025	Wed	12/24/2025	12 Noon
Tuesday	12/30/2025	Fri	12/26/2025	12 Noon
Wednesday	12/31/2025	Mon	12/29/2025	12 Noon

JANUARY 2026 Payroll Processing

Day of the Week	Check Date	Submit by Day (no later than)	Submit by Date (no later than)	Submit Deadline
Thursday	1/1/2026	Asure offices and banks are closed for New Years		
Friday	1/2/2026	Tue	12/30/2025	12 Noon
Monday	1/5/2026	Wed	12/31/2025	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 benefits 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, 2026, to report to you any disability insurance benefits paid to your employees in 2025. This information is usually available online before that date. Please be aware that Asure's deadline to post 2025 third party sick is 1/5/2026.

- If you expect to receive third-party sick pay details after your last payroll, let your Payroll Specialist know in advance.
- If you receive this information after your final payroll has processed, contact your Payroll Specialist immediately.

Third-party sick pay affects all fourth quarter and year-end returns, including W-2's. Please report this information as soon as possible to avoid the need for amended returns.

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 prior calendar year are not required to report this information on their 2025 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 2026 the limits have increased to \$4,400 for Single HSA and \$8,750 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		a Employee's social security number		OMB No. 1545-0029	
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 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 W-2 Wage and Tax Statement		2025		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 above.

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)	II	Medicaid waiver payments excluded from gross income under Notice 2014-7

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 2026. 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 2026 payroll taxes. You should receive this information sometime in the 4th quarter of 2025.

Unemployment Insurance Rate Change for 2026 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 2026. You should receive this information sometime in the 4th quarter. Please note: **RATE NOTICES RECEIVED AFTER 1/1/2026 WILL RESULT IN ADDITIONAL PROCESSING FEES FOR CORRECTING YOUR TAX LIABILITIES.**

7. 2026 Limits Update

Description	for 2026
Social Security taxable wage base – <i>projected increase</i>	\$183,600
Social Security tax rate - <i>unchanged</i>	6.2%
Social Security tax, <i>maximum for 2026</i>	\$11,383.20
Medicare tax rate - <i>unchanged</i>	1.45%
401k contributions:	
Maximum employee contribution – <i>projected increase</i>	\$24,500
Catch-up contribution under 60 – <i>projected increase</i>	\$8,000
Catch-up contribution 60 to 63 – <i>projected increase</i>	\$11,500
Max employee + employer contribution – <i>projected increase</i>	\$72,000
403b contributions:	
Maximum employee contribution - <i>projected increase</i>	\$24,500
Catch-up contribution - <i>projected unchanged</i>	\$8,000
Catch-up contribution 60 to 63 – <i>projected increase</i>	\$11,500
Max employee + employer contribution - <i>projected increase</i>	\$72,000
SIMPLE IRA contributions:	
Maximum employee contribution – <i>projected increase</i>	\$17,000
Catch-up contribution - <i>projected unchanged</i>	\$4,000
Catch-up contribution 60 to 63 – <i>projected increase</i>	\$6,000
2026 Annual Compensation Limit – <i>projected increase</i>	\$360,000
<i>This is the max annual compensation that can be considered for retirement contributions.</i>	

Health – Flexible Spending Accounts (FSA)	for 2026
Contribution limit - <i>increase</i>	\$3,400
Maximum carryover limit - <i>increase</i>	\$680

Health Savings Accounts (HSA)	for 2026
Contribution limits:	
Self only- <i>increase</i>	\$4,400
Family- <i>increase</i>	\$8,750
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 2025 on January 5, 2026. Adjustments submitted after January 5th will require amended tax returns and W-2C forms to employees. Fees for amended returns are \$275 per quarter and \$109.25 per W-2C. *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 W-2 forms 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 2025

If you have any void or manual checks not reported to your Payroll Specialist, please do so by your final payroll run of 2025.

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 2025 forms W-2, 1095 and 1099-misc will be *invoiced with the last scheduled 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 2025 payroll history for \$87.50.** 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:

2025 Opt-Out Link: [Record Retention | Asure Software](https://www.asuresoftware.com/record-retention/)
<https://www.asuresoftware.com/record-retention/>



Year-End 2025 Additional Wage Adjustments Checklist

Co. ID# _____ Company Name _____ Date _____

Notes & Reminders

- If you will be reporting additional wage amounts for tax year 2025, please check the appropriate options below and return to your payroll specialist **by Monday December 1, 2025**.
- 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.

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 2025 **after** December 31, 2025. 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 2025 payroll data have been made.

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.

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 payroll system** must be reported and processed to update YTD figures for W-2s and tax liabilities. These should be processed with a regular payroll run.

Additional Wages (check all that apply)

- ☐ Allocated Tips
- ☐ Expense Reimbursements
- ☐ Non-Taxable Moving Expenses
- ☐ Taxable Moving Expenses
- ☐ Other: _____
- ☐ Other: _____

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

Misc Fringe Benefits – Please complete and return Fringe Benefit Form.



Year-End 2025 Fringe Benefit Form

Co. ID# _____ Company Name _____ Date _____

Notes & Reminders

- Under certain circumstances, the value of non-cash fringe benefits must be reported as income to employees. Please complete & submit to your payroll specialist **by Monday December 1, 2025**.
- If you do not have any additional fringe benefits to report, you do not need to return this form.

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.
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- _____
- ☐ 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)



Year-End 2025 Bonus Payroll Form

Co. ID# _____ Company Name _____ Date _____

Notes & Reminders

- This form is only required if you are running a bonus payroll. Please complete & submit to your payroll specialist **at least 3 business days before the bonus payroll submission date.**
- Failure to provide period range will result in us defaulting to using the check date for the begin and end dates.
- All bonuses **must** be submitted at least two business days prior to check date. **We strongly encourage all bonus runs be submitted well in advance.**
- Any payroll exceeding approved liability limits may require funding by **WIRE TRANSFER.**

Bonus Payroll Type (mark all that apply)

- ☐ Process as a separate payroll.
- ☐ Process with a regular payroll run.
 - ☐ Include bonus with regular wages.
 - ☐ Issue a separate bonus check.

Bonus Period

Period Begin Date _____

Period End Date _____

Processing Date _____ Check Date _____

Bonus Amounts submitted are:

- ☐ Gross
- ☐ Net

Taxation (check all that apply)

- ☐ Take Regular Taxes based on preset payroll frequency.
 - ☐ Block Additional Tax Withholding
- ☐ Take Regular Taxes based on the following payroll frequency:
 - ☐ Quarterly
 - ☐ Semi-Annual
 - ☐ Annual
- ☐ Block Additional Tax Withholding
- ☐ Only take required FICA & Local taxes.
- ☐ 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 (Check all that apply)

- ☐ Block Direct Deposit and Issue Live Checks.
- ☐ Block partial deposits. Leave only primary direct deposit.
- ☐ Block all scheduled deductions except for pensions (retirement).
- ☐ Block all scheduled deductions.
- ☐ Block the scheduled deductions listed:

- ☐ I would like a comment to print on ALL checks:

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

- ☐ US Postal Service directly to Employee. (This is not a trackable delivery option)
- ☐ Ground shipping to the business.
- ☐ Next Day Air shipping to the business.
- ☐ Client Pickup. (Where available – confirm with CSR)