



2023 YEAR-END GUIDE

Table of Contents

Year-End Reminders:	2
Paytime Communications:	2
Payroll Submission Deadlines:.....	3
Deadline to Submit Changes:	3
Supplemental Payrolls:.....	3
Bonus Payroll Processing:.....	3
Wire Requirement:	4
Fringe Benefits:.....	4
Third-Party Sick Pay:.....	4
Affordable Care Act (ACA) Overview:.....	5
Tax Form Distribution Dates:.....	5
Upcoming Paytime and Federal Bank Holidays:	6
Important Payroll Processing Information:	6
2024 Holidays and Closures:	7
Important Payroll Processing Information:	7
Update Tax Information:	8
Applying for New State Identification Numbers:	8
Wage Limits:	9
Company Information Audit:.....	9
Security:	9
Additional Service Fee Schedule:	10
Paytime Solutions:	11
Contact Paytime:.....	12

2023 Year-End

Year-End Reminders:

- Verify W-2 information for all employees (including social security numbers, correct name spelling, address, etc.).
- IRS Enforcement of Accuracy Penalties – Accuracy Penalties may apply to Forms W-2 if forms include incorrect information (including employee name and/or SSN that don't match government databases). Penalties under IRC Section 6721 (failure to file correct Information Returns) can be up to \$250 per Form W-2 up to an annual maximum of \$3,000,000. For smaller businesses, that figure can be adjusted if the taxpayer has had less than \$5,000,000 in gross receipts for the past three tax years. I.R.C. § 6721(d).
- Run Bonus payrolls as early as possible so wages can be added to your payroll schedule.
- Verify all manual and voided checks have been entered into the payroll system.
- Review and submit any applicable fringe benefits (i.e., Personal Use of Company Car (PUCC), Group Term Life Insurance (GTL), S-Corp Health Insurance, etc.).
- Gift cards of any value are taxable and should be processed through payroll.
- Submit all Third-Party Sick Payments made to your employees during the 2023 year prior to processing your last payroll of the year.
- Forward any Federal or State filing deposit frequency notices to Paytime.
- Forward all State Unemployment rate change notices to Paytime.

Paytime Communications:

During this time of the year, we anticipate higher volumes and therefore you may experience longer than normal response times. We will make every effort to continue providing prompt service and we appreciate your patience and understanding during this busy time of the year.

Our team can assist with all your non-urgent requests via email. Forward all emails to FOCUS@paytimepayroll.com. To ensure a timely reply, if you have multiple companies with us, please be sure to include your Company Short Name / Company ID and Company name in the subject line of each email.

We send out important communications about upcoming deadlines, holiday payroll reminders, informational webinars, platform updates, year-end, etc. via email. If you or any member of your team should be receiving this information, but are not subscribed, please let us know so we can make sure you are subscribed.

Payroll Submission Deadlines:

Paytime greatly appreciates having all payrolls submitted two full business days by 2:00 p.m. EST prior to your check date. This allows us to ensure both timely submission and delivery of your payroll. Beginning in November through the end of January our volumes will be high, therefore submitting payrolls by 2:00 p.m. EST will help us eliminate any unnecessary bottlenecks in our process. If you submit your payroll after 2:00 p.m. EST, it may not be processed until the following business day.

Deadline to Submit Changes:

Please keep in mind, any adjustments processed after December 29, 2023, which adjust taxable wages will result in taxes being deposited after the due date. Additional charges will be applied for late receipt of this information. You will be liable for any penalties and/or interest for late tax payments assessed by tax agencies, such as the IRS.

If you know you will be submitting information / processing any payrolls that will affect the W-2s after your last payroll run in December, please contact your Customer Success Specialist by December 29, 2023. All changes must be received by January 10, 2024. Any changes received after that will require W-2 Cs and amended tax returns and you will be liable for any penalties and/or interest for late tax payments assessed by tax agencies, such as the IRS.

Paytime will not begin processing W-2 Cs and amended returns until February 5, 2024. Additionally, the processing time for providing clients with copies of amended returns is 45 Business days from the date of request. Amendment fees will apply. Please reference the Additional Service Fee Schedule on page 10 of this Guide.

Supplemental Payrolls:

If you plan to process any payrolls outside of your normal payroll schedule (bonus, fringe benefits, etc.), please use [this link](#) to take you to the Supplemental Payroll client form. Once you complete the form, email it to your CSS at FOCUS@paytimepayroll.com. Even if you do not have all the information for the payroll, please do this as soon as possible so we can update your 2023 payroll calendar.

Bonus Payroll Processing:

Below is a helpful checklist of things to consider for your bonus or special payroll processing.

- Is the bonus going to be included with a regularly scheduled check date?
- If the bonus is running with payroll, will it be on a separate check?
- Will the bonus be a live check?
- Will the bonus be taxed differently than a normal check? (Federal supplemental rates are: Less than \$1 million = 22%, More than \$1 million = 37%)
- Will the total 941 tax liability be greater than \$100,000? (If so, the IRS requires next day payment.)
- Will Direct Deposits reach \$100K to a single employee or Total Direct Deposits reach \$500K? If so, a wire will be required.

Wire Requirement:

Larger bonus payments may need to be funded by a wire. If either of the following two conditions apply, a wire may be required. We will send you wire instructions if necessary.

1. Total Direct Deposit Exceeds \$500,000.
2. Payroll includes an individual receiving a net payment of \$100,000 or more via direct deposit.

The wire for the total amount of the payroll must be processed at the very latest one (1) business day prior to your check date by 12:00 p.m. EST.

Fringe Benefits:

IMPORTANT: Please review your fringe benefit requirements with your accountant or tax advisor.

A detailed guide to all the rules applicable to fringe benefits is contained in IRS Publication 15-B: <https://www.irs.gov/forms-pubs/about-publication-15-b>. These entries must be processed on or before your last payroll in 2023 to ensure that your forms 941 and W-2 will be accurate. Additional charges will be applied for late receipt of this information. You will be liable for any penalties and/or interest for late tax payments assessed by tax agencies, including the IRS.

Examples of fringe benefits are:

- Personal Use of Company Car (PUCC) -If you provide any employee with a company vehicle, the personal use of the vehicle is fully taxable.
- Group Term Life (GTL) – The coverage in excess of \$50,000 is taxable.
- S-Corp Health Insurance – The cost of health premiums provided by an S-Corp to its 2% shareholders must be reported as income on the W-2
- Gift cards of any value are taxable and should be processed through payroll.
- Employer contributions to an HSA

More information on general instructions for Forms W-2 and W-3 can be found at: <https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>.

Third-Party Sick Pay:

Paytime needs the year-end report (1/1/2023 – 12/31/2023) from your 3rd Party provider to assist with the reconciliation of all YTD 3rd Party wages. We need the report by January 10, 2024, so we suggest you contact your vendor in early December to inquire when your reports will be finalized and inquire about the easiest way for you to access them as soon as possible.

If we have not received your report by January 10, 2024, we will move forward with finalizing the year-end for 2023. Additional charges will be applied for late receipt of this information, and this would require W-2 Cs and amended tax returns. You will be liable for any penalties and/or interest for late tax payments assessed by tax agencies, including the IRS.

Please Note, if your 3rd Party provider will report **both** the Employee and Employer FICA, and produce the W-2s, we do not need your 3rd Party statements or reports.

Affordable Care Act (ACA) Overview:

Applicable Large Employer (ALE) obligations under the ACA:

- Offer medical coverage to full-time and full-time equivalent employees
- Medical coverage must be affordable and provide minimum value
- Penalties assessed if at least one employee receives government subsidized coverage through an exchange or forms are not filed

Who must file ACA returns (1094/1095-Cs)?

The Employer Mandate is the Health Care Reform provision that requires all employers with 50 or more full-time equivalent employees (ALE) to offer a certain level of health insurance coverage at an affordable rate to all full-time employees or face a penalty. This mandate is sometimes referred to as the “pay or play” provision.

What happens if I do not offer my full-time employees health insurance?

The “A” penalty is assessed if the employer is subject to the Employer Mandate but fails to offer health insurance to at least 95% of its full-time employees. The “A” penalty is \$2,880 annually for each full-time employee, excluding the first 30 employees.

W-2 Healthcare Reporting:

As mandated by the ACA, all employers with 250 or more W-2s in 2022 are required to show the annual cost of coverage under an employer-sponsored group health plan in box 12DD of the employee’s 2023 W-2.

Tax Form Distribution Dates:

- January 31, 2024, is the deadline to distribute W-2s to your employees.
- March 4, 2024, is the deadline to distribute 1095-Cs to employees.

Looking for your W-2s?

Our team will be working hard to prepare and ship your W-2s by January 22, 2024. Please note that our payroll team will not be able to track the status of W-2 packages until after that date.

Because we are printing, packaging, and shipping around the clock, we cannot make exceptions to accommodate expedited shipping requests.

Upcoming Paytime and Federal Bank Holidays:

Please review the upcoming 2023 Paytime and Bank holiday schedule below. If your processing time frame (process date through check date) falls on any of the dates, you will need to adjust your process date and check date. Paytime requires payroll to be submitted by 2:00 p.m. EST, two full business days prior to check date to reduce interruptions in payroll delivery and posting of direct deposits.

As always, you will receive a holiday calendar before each holiday. If you need to adjust your check date, processing date, or delivery instructions, complete that and return it to your CSS.

Date	Weekday	Holiday	Holiday Type	Notes
November 23, 2023	Thursday	Thanksgiving Day	Federal & Paytime Holiday	Paytime Closed
November 24, 2023	Friday	Day After Thanksgiving	Paytime Holiday	Paytime Closed
December 22, 2023	Friday	Christmas Eve	Paytime Holiday	Paytime Close at 1:00pm EST
December 25, 2023	Monday	Christmas Day	Federal & Paytime Holiday	Paytime Closed
December 29, 2023	Friday	New Years Eve	Paytime Holiday	Paytime Close at 3:00pm EST
January 1, 2024	Monday	New Years Day	Federal & Paytime Holiday	Paytime Closed

Important Payroll Processing Information:

If your check date would normally be:	Your check date will now be:	You must submit Payroll by 2:00pm EST* on:
Thursday, Nov. 23, 2023	Wednesday, Nov. 22, 2023	Monday, Nov. 20, 2023
Friday, Nov. 24, 2023	Friday, Nov. 24, 2023	Tuesday, Nov. 21, 2023
Monday, Nov. 27, 2023	Monday, Nov. 27, 2023	Wednesday, Nov. 22, 2023
Tuesday, Nov. 28, 2023	Tuesday, Nov. 28, 2023	Wednesday, Nov. 22, 2023
Monday, Dec. 25, 2023	Friday, Dec. 22, 2023	Wednesday, Dec. 20, 2023
Tuesday, Dec. 26, 2023	Tuesday, Dec. 26, 2023	Thursday, Dec. 21, 2023
Wednesday, Dec. 27, 2023	Wednesday, Dec. 27, 2023	Friday, Dec. 22, 2023 *by 11am EST
Monday, Jan. 1, 2024*	Friday, Dec. 29, 2023	Wednesday, Dec. 27, 2023
Tuesday, Jan. 2, 2024	Tuesday, Jan. 2, 2024	Thursday, Dec. 28, 2023
Wednesday, Jan. 3, 2024	Wednesday, Jan. 3, 2024	Friday, Dec. 29, 2023 *by 1pm EST

LOOKING FORWARD TO 2024

2024 Holidays and Closures:

Please review the 2024 Paytime and Bank holiday schedule below. If your processing time frame (process date through check date) falls on any of the dates, you will need to adjust your process date and check date. Paytime requires payroll to be submitted by 2:00 p.m. EST, two full business days prior to check date to reduce interruptions in payroll delivery and posting of direct deposits.

As always, you will receive a holiday calendar before each holiday. If you need to adjust your check date, processing date, or delivery instructions, complete that and return it to your CSS.

Date	Weekday	Holiday	Holiday Type	Notes
January 1, 2024	Monday	New Years Day	Federal & Paytime Holiday	Paytime Closed
January 15, 2024	Monday	Martin Luther King Jr. Day	Federal Holiday	Paytime Open
February 19, 2024	Monday	Washington's Birthday (Presidents Day)	Federal Holiday	Paytime Open
May 27, 2024	Monday	Memorial Day	Federal & Paytime Holiday	Paytime Closed
June 19, 2024	Wednesday	Juneteenth National Independence Day	Federal Holiday	Paytime Open
July 4, 2024	Thursday	Independence Day	Federal & Paytime Holiday	Paytime Closed
September 2, 2024	Monday	Labor Day	Federal & Paytime Holiday	Paytime Closed
October 14, 2024	Monday	Columbus Day	Federal Holiday	Paytime Open
November 11, 2024	Monday	Veterans Day	Federal Holiday	Paytime Open
November 28, 2024	Thursday	Thanksgiving	Federal & Paytime Holiday	Paytime Closed
November 29, 2024	Friday	Day After Thanksgiving	Paytime Holiday	Paytime Closed
December 24, 2024	Tuesday	Christmas Eve	Paytime Holiday	Paytime Close at 1:00pm EST
December 25, 2024	Wednesday	Christmas Day	Federal & Paytime Holiday	Paytime Closed
December 31, 2024	Tuesday	New Years Eve	Paytime Holiday	Paytime Close at 3:00pm EST
January 1, 2025	Wednesday	New Years Day	Federal & Paytime Holiday	Paytime Closed

Important Payroll Processing Information:

If your check date would normally be:	Your check date will now be:	You must submit Payroll by 2:00pm EST* on:
Monday, Jan. 1, 2024	Friday, Dec. 29, 2023	Wednesday, Dec. 27, 2023
Monday, January 15, 2024	Friday, January 12, 2024	Wednesday, January 10, 2024
Monday, February 19, 2024	Friday, February 16, 2024	Wednesday, February 14, 2024
Monday, May 27, 2024	Friday, May 24, 2024	Wednesday, May 22, 2024
Wednesday, June 19, 2024	Tuesday, June 18, 2024	Friday, June 14, 2024
Thursday, July 4, 2024	Wednesday, July 3, 2024	Monday, July 1, 2024
Monday, September 2, 2024	Friday, August 30, 2024	Wednesday, August 28, 2024
Monday, October 14, 2024	Friday, October 11, 2024	Wednesday, October 9, 2024
Monday, November 11, 2024	Friday, November 8, 2024	Wednesday, November 6, 2024
Thursday, November 28, 2024	Wednesday, November 27, 2024	Monday, November 25, 2024
Friday, November 29, 2024	Friday, November 29, 2024	Tuesday, November 26, 2024
Tuesday, December 24, 2024	Tuesday, December 24, 2024	Friday, December 20, 2024
Wednesday, December 25, 2024	Tuesday, December 24, 2024	Friday, December 20, 2024
Tuesday, December 31, 2024	Tuesday, December 31, 2024	Friday, December 27, 2024 *by 11:00 a.m. EST
Wednesday, January 1, 2025	Tuesday, December 31, 2024	Friday, December 27, 2024 *by 11:00 a.m. EST
Thursday, January 2, 2025	Thursday, January 2, 2025	Monday, December 30, 2024
Friday, January 3, 2025	Friday, January 3, 2025	Tuesday, December 31, 2024 *by 1:00 p.m. EST

Update Tax Information:

The IRS and State agencies have begun focusing heavily on taxpayer compliance with information reporting laws. Specifically, penalties for failure to file correct information on returns may apply if we file on paper when you are required to file electronically.

Please report changes and provide Paytime with new ID numbers and correspondence as soon as you receive these notifications from tax agencies. Below are examples of common notices that are routinely sent by agencies between now and January:

- Tax Deposit Frequency - As company numbers grow, tax deposit frequency can change.
- Rate Changes - Employers typically receive notice of new unemployment tax rates beginning in November for the upcoming year.
- Additional or Missing States or Localities - Please provide any missing ID numbers that you have applied for and their corresponding deposit and frequencies to Paytime as soon as you get them.
- Electronic Filing of Tax Returns – Some states require that returns be filed electronically and require that we have authority to file them. In addition to registrations, we may also need to request that you provide us with access to your account. Our Tax Department will be in contact with you if this is needed for any of your accounts.

Applying for New State Identification Numbers:

You must register with any new state/local tax agencies to open an account. After you register, you should receive account information within 2 - 6 weeks. Please provide your confirmation of registration to your Client Success Specialist. If you do not receive the required account information from the agencies, please follow up with them to inquire about the status of the account.

Many agencies will not accept “Applied For” or missing identification numbers on tax returns and payments. This could result in late filings, penalties, and/or interest. Paytime must receive your missing account information within 30 days of set up, when possible. If we have not received it within the allotted time and we have not received confirmation that you have attempted to register, you will be charged a \$50 fee per payroll for each account number that is missing or in an “applied-for” status. However, Paytime is partnering with [Middesk](#) to manage the process on your behalf. If you use the service, we will waive that fee.

- Middesk can register you across all 50 states for withholdings tax and unemployment insurance.
- Middesk will continue to support your ongoing compliance by serving as your registered agent, filing your annual reports, and processing your state mail.

Wage Limits:

Social Security Wage Limits:

The wage limit will reset effective January 1, 2024. The Social Security tax rate is 6.2% for both the employee and the employer (total of 12.4%). The wage base limit for 2024 is \$167,700.

Medicare Wage Limits:

The wage limit will reset effective January 1, 2024. The Medicare tax rate is 1.45% for both the employee and employer (total of 2.9%). There is an additional 0.9% employee only tax on wages in excess of \$200,000 through the end of each calendar year.

Federal Unemployment (FUTA) Wage Limits:

The wage limit will reset effective January 1, 2024. The wage base for FUTA is \$7,000. Once an employee's year-to-date wages exceed \$7,000, an employer stops paying FUTA for that employee.

State Unemployment (SUTA) Wage Limits:

The wage limit will reset effective January 1, 2024. The wage base for SUTA varies by state. Once an employee's year-to-date wages exceed their state's limit, an employer stops paying SUTA for that employee.

Company Information Audit:

Verify that Paytime has the most current information for your company including:

- Company address
- Company contacts (please review name, email addresses, and contact phone numbers, title, data restrictions, etc.)

Please send any changes to FOCUS@paytimepayroll.com

Security:

With increased frequency and intensity of cyber-attacks, identity theft, and fraud, we take careful measures to secure the information of your company and your employees. Our goal is to ensure the confidentiality, integrity, and availability of all electronic and paper records that Paytime creates, receives, maintains, or transmits.

To ensure your confidentiality, Paytime only discusses your account with authorized contacts. If an individual contacts us and they are not an authorized contact, no information will be divulged, even if the individual is an officer of the company. Please ensure you have the appropriate people listed as authorized contacts.

Additional Service Fee Schedule:

Service*	Fee**
Amended Tax Returns	\$250 Per Agency, Per Quarter
Amended Tax Returns – Employer Retention Credit	\$500 Per Quarter
W-2 C	\$50 Per Form
W-2 Reprint	\$25 Per Form
Missing / Applied for Agency ID Number	\$50 Per ID, Per Month
Tax Return Reprint	\$25 Per Quarter
Add New State Tax Filing	\$6 Per Additional State, Per Pay
Insufficient Funds (NSF)	\$200 Per Occurrence
Additional Payroll Process	Standard Billing Fess
Zero Dollar Quarterly Returns	\$150 Per Quarter
Delete / Rollback Payroll Process	\$50 Per Occurrence
Same Day Client Form Processing	\$100 Per Occurrence
Stop Payment for Paytime Checks	\$30 Per Item
Manual ACH/Direct Deposit Pullback	\$25 Per Item
Direct Mailing of Pay Statements to Employees	\$1.00 Per Mailed Item
Additional Delivery Locations	Depends on Location and Timing
Open Enrollment Plan Setup	\$250 Per Open Enrollment
Accrual Setup	\$500 Minimum Setup
New Retirement Plan Setup-Custom File Export Created for Client	\$250 Minimum Setup, \$15 Per Pay
New Retirement Plan Setup-Custom File Export Via SFTP to Vendor	\$500 Minimum Setup, \$30 Per Pay
New General Ledger (GL Setup)	\$500 Minimum Setup, \$15 Per Pay
Custom Reporting or Configuration Requests	\$250 Minimum Setup
<i>*This list is not a complete list of all fees that could be assessed by Paytime.</i>	
<i>**Rates / fees subject to change.</i>	

Paytime Solutions:

Paytime	Payroll	Plus	Premier
PAYROLL SERVICES			
Payroll Processing	✓	✓	✓
Direct Deposit	✓	✓	✓
Federal, State & Local Tax Filing	✓	✓	✓
W-2's & End of Year Reporting	✓	✓	✓
401k & Benefit Withholding	✓	✓	✓
TIME & LABOR			
Labor Distribution	✓	✓	✓
Timekeeping		✓	✓
Time Clock Systems		✓	✓
Scheduling		✓	✓
HR			
EEO Reporting	✓	✓	✓
Electronic Onboarding	✓	✓	✓
Applicant Tracking		✓	✓
FMLA Tracking			✓
Benefits Administration			✓
Injury Tracking & OSHA Reporting			✓
Performance Management			✓
CLOUD SERVICES			
Paperless System	✓	✓	✓
Online Paystubs	✓	✓	✓
Document Storage		✓	✓
Mobile App		✓	✓
Employee & Mgt. Self Service		✓	✓
REPORTING			
Alerts & Notifications		✓	✓
Single Employee Record with History			✓
Realtime Reporting			✓
Advanced, Custom Reporting			✓
AUTOMATION			
Custom Workflows		✓	✓
SYSTEM			
Single Sign-On Solution	✓		✓
Multiple Best-in-Class Platforms		✓	✓
A TEAM YOU CAN TRUST			
One-On-One Relationship	✓	✓	✓
Enterprise-Level Data Security	✓	✓	✓
Increased HR Productivity	✓	✓	✓

Contact Paytime:

Payroll Service Team

FOCUS@paytimepayroll.com

717.458.0021

800-298-6431

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**THANKS AGAIN FOR BEING PART OF OUR PAYTIME FAMILY.
HERE'S TO ANOTHER GREAT YEAR!**