



Preparing for Year-End and 2021

As this year comes to a close, we want to thank you for choosing Future Systems, Inc. for your Payroll/HCM needs. Please use this as reminder of items that often are overlooked during the hectic year-end season. Should you have any questions – don't hesitate to call us!

Holiday Closures

Thanksgiving – November 26, 2020

Our offices are also closed on Friday, November 27th.

Christmas Eve – office closes at Noon, December 24, 2020

Christmas – December 25, 2020

New Year's Day – January 1, 2021

2020 Year End Adjustments

Items to consider:

Fringe benefits

3rd Party Sick Pay

Manual or Voided Checks

Personal Use of Company Vehicle

Group Term Life

Dependent Care

S-Corp – Company paid Owners Health Insurance

Qualified Pension Plan

Be sure that each employee has enough earnings to cover the taxes due. Should you need assistance, please call one of our knowledgeable Client Service Representatives.

Year-End Bonus Payroll

Here are some things to keep in mind:

- Will this be a separate run?
- Will this be a separate check?
- What is the check date?
- Will the bonuses be direct deposit or checks?
- Are the bonus amounts gross or net?
- Will 401(k), 403(b), etc. be deducted?
- Besides pension, are there any other deductions that should be withheld?
- How should the bonus be taxed?
- When would you like the checks delivered/picked up?
- Other special handling?



Plan Ahead!

Delivery services cannot guarantee next day ground delivery during the holidays.

You may wish to process one to two days earlier than normal to ensure timely delivery of your payroll. Next Day Air is available in some delivery areas for an additional charge.

Maybe now is the time to utilize electronic delivery of your reports! Call for details!!

W-2 Information

Please review your copy of the W-2 SSN/1099 Verification Report provided with the last scheduled payroll of November. It includes names, Social Security Numbers and mailing addresses of your employees.

Provide any changes to our Client Service Representatives as soon as possible!

All W-2 forms will be sent to you by January 29, 2021 unless you placed a HOLD (found on the Resources page on our website) on year-end processing. Should you require W-2 forms prior to January 10, 2021, there will be an additional charge. If you are subject to ACA reporting, W-2s and ACA Forms will arrive separately. With respect to privacy, you will receive employee W-2's as a tamper proof, pressure sealed, secured document. Future Systems will submit data to the Social Security Administration on your behalf. For your records, **Employer Copy of W-2s are included in the 4th quarter returns.** Employee Self-Serve will have 2020 W-2s available the week of January 25th.

1099's

Future Systems is happy to produce your 1099's even if they were not paid through payroll! Data must be submitted prior to January 13, 2021. Call Amanda with questions or for an Excel template to record the information.

Record Retention

Federal and state laws require that employers keep copies of all payroll records and returns. We will archive your 2020 records; an Annual Record Retention fee of \$50.00 will appear on your final invoice of 2020.

W-2's must be kept a minimum of four years after the filing due date (January 31). It may be necessary for these records to be retained even longer for certain benefit calculations. Check with your plan administrator for their specific retention requirements.

Employer Benefit Contribution

Employers required to file 250 or more W-2 forms will be responsible for reporting the total cost of their group health benefit plan coverage on W-2 forms under the Patient Protection and Affordable Care Act. This is informational only and does not mean that employer-provided coverage will be subject to income tax.

Tax Authority Notifications

Preparing for 2021 – between now and the end of January, Federal, State and Local agencies will send change notices for the following:

- State Notice of Employers Unemployment Tax Rate Change
- IRS 2021 Federal Tax Deposit Requirements
- State Notice of withholding deposit frequency change

Notify us if you have ceased business in any State or Locality so we may finalize reporting and cease billing for the additional tax authority. **Please submit any notice to Future Systems as soon as you receive it.**

Time is of the essence!



W-2s and 1099s **must be distributed by February 1st**. Any adjustments received after January 15th will result in amended returns.

Delayed processing of 4th quarter returns and W-2 forms may result in additional charges and/or tax penalties. Please complete the HOLD request found on the Resources page of our website by December 21, 2020 if you need to delay processing.