



YEAR END PACKET

2023-2024

YEAR-END CHECKLIST

- Verify W-2 information for all employees (i.e. social security numbers, correct name spelling, address).
 - Review the W-2 Social Security Number/ 1099 Report included with your last payroll in November. Make updates online prior to year-end or submit changes to Future Systems as soon as possible
- Verify all Federal and State identification numbers and notify Future Systems of any frequency and/or rate changes.
- Verify all manual and voided checks have been entered into the payroll system.
- Review and submit any applicable fringe benefits (i.e. housing, auto, group term life insurance, Sub-S, 3rd party sick, etc).
- Audit Third-Party Sick Payments made to your employees during the 2023 year.
- Run Bonus payrolls as early as possible and add the processing to your payroll schedule.
- Submit 1099 information to Future Systems by 1/15/2024, if applicable.

DEADLINE TO SUBMIT CHANGES

Circumstances may require that some employee, and payroll, information be adjusted after your last scheduled payroll in December (see fringe benefit reminder for examples). If you know you will be submitting information and/or processing any payrolls that will affect W-2s after your last payroll run in December, please mark the appropriate box on the attached **YEAR END HOLD FORM** and submit it back to us by **Friday, December 22, 2023**.

If a **YEAR END HOLD FORM** is not submitted to us by **December 22, 2023**, Future Systems will be closing out your payroll for 2023 following your last scheduled check date in December.

Due to the accelerated IRS and State filing requirements for Quarterly Returns and W-2s, any corrections or adjustments requested after **January 3, 2024** will require amended filings and will not be processed until the original forms have been processed and filed. Future Systems will not begin processing amended filings until February 2, 2024. Please note: Additional fees will apply.



WIRE REQUIREMENT REMINDER

IRS regulations dictate that if your accumulated Federal tax liability reaches \$100,000 or more at any given time during a calendar month, your deposit is due by the next business day (*many states have lesser thresholds*). In order for Future Systems to make timely payment of your tax deposits, you may be asked to wire the total tax liability to Future Systems, one (1) day before your check date, by 10 AM CST,

Future Systems will not be responsible for late tax payments if funds are not received by 10AM CST the day before check date. Please keep in mind that tax payments cannot be made until funds are received.

Penalties and late fees will be the client's responsibility in addition to Future Systems processing fee.

DIRECT DEPOSIT WIRE REQUIREMENTS

If Direct Deposits reach \$100K to a single employee or Total Direct Deposits reach \$500K, wire funding for the payroll will be required.

This wire must occur, at the very latest, one (1) day before your check date by 10 AM CST to ensure the employees receive their funds by check date.

Future Systems is not responsible for unavailable Direct Deposit funds to the employees' accounts on check date due to the following reasons:

- Insufficient funds in the client's account
- Not meeting the bank's cutoff time for wiring funds
- Not meeting the deadline of 10 AM CST, one (1) day before check date.

WIRE TRANSFER FUNDING REQUIREMENTS SNAPSHOT

Wire transfers are required to fund the following types of transactions:

- ✓ Direct deposit to a single employee of \$100K or more
- ✓ Company direct deposit of \$500K or more

Please Note: Direct deposits will not be processed until the wire is received and same-day direct deposit transactions cannot be processed.



FRINGE BENEFITS & NON-CASH W-2 REPORTING

IMPORTANT: Be sure to obtain and report third-party sick pay, fringe benefits, and non-cash W-2 reporting information as soon as possible. These entries must be processed on or before your last 2023 payroll to ensure that your 941 and W-2 forms are accurate. Additional charges will be applied for late receipt of this information. If you cannot supply your information to Future Systems before your last payroll of 2023, please submit a hold form to us by December 22, 2023.

Third-Party Sick Pay

Federal legislation requires the reporting of sick payments made to employees from a third party, as well as any taxes withheld on those payments. These payments must be included on the employees' W-2 forms.

Health Insurance for S-Corporation 2% Shareholders

A "2% shareholder" is an S-Corporation shareholder who owns, directly or indirectly, more than 2% of the stock of the corporation on any day during the tax year.

The following family members of a shareholder are treated as owning a shareholders stock for this purpose:

- Spouse
- Children
- Grandchildren
- Parents

The total cost of health insurance premiums paid by the S-Corporation for a 2% shareholder is included in the shareholder's W-2 as Box 1 and Box 16 taxable income. The amount is subject to Federal and State income tax withholding. It is not subject to FICA and FUTA taxes.

Fringe Benefits

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.

Additional Non-Cash W-2 Reporting

Employer- Sponsored Health Coverage: Any employer (250+ W-2s) is required to report the aggregate cost of applicable employer-sponsored health coverage on the W-2, Box 12 with a code of DD.

Pensions: The retirement plan box will be automatically checked if you have any plans funded via payroll deduction, such as 401k, 403b, Simple IRA, SEP, etc.



Holiday and Bank Closures

Please review the holiday and closure dates below and adjust your processing schedule accordingly. Payrolls must be processed by 2 PM CST two business days prior to check date to ensure that employees and tax deposits are received on a timely basis.

BANKING HOLIDAYS

- **Thursday, November 23** - Thanksgiving Day
- **Monday, December 25** - Christmas Day
- **Monday, January 1** - New Years Day

FUTURE SYSTEMS PROCESSING HOLIDAY CLOSURES

- **Thursday, November 23**- Thanksgiving Day
- **Friday, November 24** - Day After Thanksgiving
- **Friday, December 22**- Future Systems closed
- **Monday, December 25** - Christmas Day
- **Monday, January 1** - New Years Day

IMPORTANT DIRECT DEPOSIT INFORMATION

If your check date falls on the following dates, use the list provided below to adjust accordingly.

If check date falls on:	Submit payroll information to FSI by 10:00 AM CST on:
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Thursday, November 23	➔ Monday, November 20 (Check date will be Wednesday, November 22)
Friday, November 24	➔ Tuesday, November 21
Monday, December 25	➔ Call Future Systems for further action.
Tuesday, December 26	➔ Thursday, December 21
Wednesday, December 27	➔ Friday, December 22
Monday, January 1st	➔ Call Future Systems for further action.
Tuesday, January 2, 2024	➔ Thursday, December 28
Wednesday, January 3, 2024	➔ Friday, December 29

FORM DISTRIBUTION DATES

January 31, 2024 is the deadline to distribute:

- ✓ W-2s to your employees
- ✓ 1099s to your contractors

WHERE ARE MY W-2s?

Our team will be working hard to prepare and ship your W-2s by 1/25/2024. Please note that our team will only be able to track the status of W-2 packages after 1/25/2024.

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

Thank you for allowing us to serve you for another year. We wish you continued success in 2024!



2023/2024 HOLIDAY SCHEDULE

Date	Weekday	Holiday Name	Holiday Type	Notes
November 23	Thursday	Thanksgiving	Federal Holiday	FSI Closed
November 24	Friday	Day After Thanksgiving	FSI Holiday	FSI Closed
December 22	Friday	FSI Holiday	FSI Holiday	FSI Closed
December 25	Monday	Christmas Day	Federal Holiday	FSI Closed
January 1	Monday	New Years Day	Federal Holiday	FSI Closed
January 15	Monday	Martin Luther King, Jr. Day	Federal Holiday	FSI Open
February 19	Monday	Presidents Day	Federal Holiday	FSI Open
May 27	Monday	Memorial Day	Federal Holiday	FSI Closed
June 19	Wednesday	Juneteenth	Federal Holiday	FSI Open
July 4	Thursday	Independence Day	Federal Holiday	FSI Closed
September 2	Monday	Labor Day	Federal Holiday	FSI Closed
October 14	Monday	Indigenous Peoples' Day	Federal Holiday	FSI Open
November 11	Monday	Veterans Day	Federal Holiday	FSI Open
November 28	Thursday	Thanksgiving	Federal Holiday	FSI Closed
November 29	Friday	Day After Thanksgiving	FSI Holiday	FSI Closed
December 24	Tuesday	FSI Holiday	FSI Holiday	FSI Closed @ Noon
December 25	Wednesday	Christmas Day	Federal Holiday	FSI Closed



BONUS PAYROLL PROCESSING



If your company provides holiday bonuses, performance-based incentives, and/or large lump sum year-end payouts, please plan accordingly to ensure you have a place for potential special processing issues such as mandatory wires to prevent costly errors.

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

Bonus/Special Payment Payroll Information	Yes	No	Additional Notes
Is the bonus going to be included with a regularly scheduled check date?			Please contact FSI 3 days in advance of processing to get an off-cycle check date added.
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) <u>To ensure timely payment of your tax obligations, your entire payroll liability will require a wire transfer</u>			
Will Direct Deposits reach \$100K to a single employee or Total Direct Deposits reach 500K? If so, <u>a wire will be required to ensure funds are deposited</u>			



YEAR END TAX PROCESSING HOLD REQUEST FORM

**THIS FORM MUST BE RETURNED TO FUTURE SYSTEMS, INC.
NO LATER THAN DECEMBER 22, 2023.**

Placing a hold on year-end processing will delay returns/W-2's. Any adjustments received after January 3rd, 2024 requires amended returns and will incur additional charges.

Company Code: _____

Company Name: _____

Please hold the processing of our quarterly/annual tax returns along with W-2s. We will submit the following adjustment(s):

Check all that apply

Bonus/Additional Payroll

Group Term Life (GTL)

Third-Party Sick Pay

Voided Checks

Taxable Fringe Benefits

Employer Sponsored Health Ins.
(Required if 250+ employees in previous year)

Taxable Auto Allowance

Other: _____

Sub-S Health Insurance
(S-Corporation Only)

ABSOLUTION AGREEMENT: Acknowledgement of Responsibility for Penalty and Interest.

Client will provide Future Systems, Inc. with per employee amounts needed to perform any adjustments. I confirm that I have calculated and verified any adjustments, to ensure they meet all eligibility and qualifications needed.

Due to the timing of my adjustments, I understand that any adjustments processed after the 28th of a quarter-ending month that increase earnings will result in taxes being deposited after the due date and may incur penalties and interest. These penalties and interest, if any, are the responsibility of my company. Additionally, I understand that we may be charged a fee as a result of the delayed processing of our tax payments and filings, which also includes W-2s.

Authorized Signature

Title

Date