FUTURE SYSTEMS INC.

2026 / 2027

YEAR-END RESOURCE PACKET

Your guide to payroll deadlines, reporting and year-end readiness

KEY DEADLINES

DEC 21 — **Year-End Hold Form**

Submit by December 21st, 2026 if changes will follow your last December payroll.

JAN 18 — **1099 Information**

Submit applicable 1099 information by January 18th, 2027.

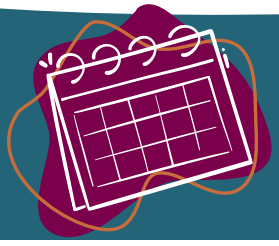
IMPORTANT

Without a hold form, the 4TH Quarter Returns and W-2s will begin processing after your last scheduled payroll with a December check date.

YOUR YEAR-END CHECKLIST

Complete these items before your final December payroll.

- [ ] **Verify employee W-2 information**
  Confirm correct information and spelling for Names, Social Security Numbers and Addresses for all employees paid in 2026.
- [ ] **Verify tax identification numbers**
  Confirm federal and state IDs, frequencies and rates.
- [ ] **Review manual and voided checks**
  Make sure all checks are entered in payroll.
- [ ] **Report fringe benefits**
  Include applicable housing, auto, group-term life, and S-Corp items. *(See Page 3 for more info)*
- [ ] **Audit third-party sick payments**
  Verify payments and related withholding for 2026. *(See Page 3 for more info)*
- [ ] **Schedule bonus payrolls early**
  Add special payroll processing to your schedule.
- [ ] **Verify delivery address for W-2 forms**
  If you would like your W-2 forms delivered to an address different than your company address, please let us know!



What happens after my last payroll of December??

Payroll adjustments requested after January 8th, 2027 may require amended filings. Adjustment processing begins February 1st, 2027.
additional fees apply

319-294-9426 | 1-800-453-5809

info@future-systems.net

WIRE FUNDING REQUIREMENTS

Know when wire funding is needed to keep payroll and tax deposits on schedule.

FEDERAL TAX LIABILITY THRESHOLDS

$100,000+

If accumulated federal tax liability reaches this amount at any point during a calendar month, a next-business-day deposit is required per IRS regulations. (*States may have lesser threshold amounts*)

FUNDING DEADLINE: **10:00 AM CST, one business day before check date**

Future Systems will not be responsible for late tax payments if funds are not received by the deadline. Please keep in mind that tax payments cannot be made until funds are received. Penalties and/or late fees will be the client's responsibility.

EMPLOYEE DIRECT DEPOSIT WIRE THRESHOLDS

$100K

Single employee direct deposit

OR

$500K

Total employee direct deposits

FUNDING DEADLINE: **10:00 AM CST, one business day before check date**

Future Systems will not be responsible for unavailable Direct Deposit funds to the employees' accounts on check date due to:

- Insufficient funds in the client's account
- Client not meeting the wire deadline

Same Day Direct Deposit Transactions cannot be processed!

FRINGE BENEFITS & W-2 REPORTING

A quick guide to special items that may affect your employees' year-end tax forms.

REPORT BEFORE YOUR LAST PAYROLL

The entries must be processed on or before your last payroll of the year. Additional charges will be applied for late receipt of this information. *If you cannot supply your information before/with your final payroll, please submit a hold form by December 21st, 2026.*

ITEMS TO REVIEW

Third-Party Sick Pay

Report sick payments made by third parties and any taxes withheld so they can be included on employee W-2s. Please contact your provider and request information prior to year-end. In many cases, they can provide you with the needed information to be included before the end of 2026.

S-Corporation 2% Shareholder Health Insurance

A 2% shareholder is an S-Corp shareholder who owns, directly or indirectly, more than 2% of the company stock on any day during the tax year. The following family members of a shareholder are treated as owning stock and must be treated the same:

- Spouse
- Children/Grandchildren
- Parents

The total cost of health insurance premiums paid by the S-Corp must be included as wages in Box 1 and Box 16 on the W-2. This amount is subject to Federal and State income tax only.

Taxable Fringe Benefits

Items such as Taxable Auto, Moving Expense, Country Club Dues, Group Term Life, Clergy Housing, etc. are required to be properly reported (and taxed accordingly) on the W-2. Please review your fringe benefit requirements with your accountant or tax advisor. A detailed guide is contained in IRS Publication 15-B.

Employer-Sponsored Health Coverage

Any employer with 250+ W-2s is required to report the aggregate cost of applicable employer sponsored health coverage on the W-2 in Box 12 with a code of DD.

Retirement plan indicators

The Retirement Plan box of the W-2 will be automatically checked if the employee contributes to a pension plan through a payroll deduction. If you have employees who are eligible, but DO NOT contribute, please let us know so they can be properly marked. This applies to 401k, 403b, SIMPLE, IRA, SEP, etc. plans.

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Form Distribution

Our team will be working hard to prepare and ship your year end forms!

W-2 Forms



W-2 forms will be printed and shipped to you no later than 1/23/2027. W-2 forms will available for employees on-line by 2/1/2027.

You are required to have them mailed to employees no later than 2/1/2027.

Reminder:

Since we are printing, packaging, and shipping non-stop, we are not able to accommodate expedited processing timelines. Please note that we will only be able to track the status of packages after 1/26/2027.

1099 Forms



Unless you have made arrangements for direct mailing, 1099 forms will be printed and shipped to you no later than 1/23/2027.

Mail forms to recipients no later than 2/1/2027.

ACA Forms



While we make every effort to include the ACA forms in the W-2 packet, some take more prep time. If your forms are ***not*** included in your W-2 packet, they will be shipped to you as soon as they are available.
You are required to have them mailed to employees no later than 3/2/2027.

Attn:

If you have not yet made arrangements for 1099 and /or ACA processing, and would like more information, please give us a call!

Thank you for allowing us to serve you for another year.
We wish you continued success in 2027!

YEAR END HOLIDAY IMPACT ON PAYROLL PROCESSING

Plan ahead for banking holidays and Future Systems office closures.

STANDARD PROCESSING REMINDER

Payrolls must be received no later than 10:00 a.m. CST two business days before check date.

2026–2027 HOLIDAY PROCESSING EXAMPLES

CHECK DATE	SUBMIT BY 10 a.m. CST	NOTES
Thurs, Nov 26th, 2026	Mon, Nov 23rd, 2026	***Check date moves to Wed, Nov 25, 2026***
Fri, Nov 27th, 2026	Tue, Nov 24th, 2026	Future Systems will be closed, if picking up payroll, please be sure to pick it up by 4:00 p.m. on Wednesday, 11/25/2026
Fri, Dec 25th, 2026	Mon, Dec 21st, 2026	***Check date moves to Thurs, Dec 24, 2026***
Fri, Jan 1st, 2027	Tue, Dec 29th, 2026	***Check date moves to Thur, Dec 31, 2026*** ***This means this payroll will be included on the 2026 W-2***
Mon, Jan 4th, 2027	Wed, Dec 30th, 2026	N/A
Tues, Jan 5th, 2027	Thurs, Dec 31st, 2026	N/A

If you need to make special arrangements, or have questions, please give us a call!

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2026/2027 HOLIDAY SCHEDULE

All holidays with an asterisk are Bank Holidays; no deposits will be made on these days
***Dec 25, 2027 falls on a Saturday - there is no impact to payroll processing, however, Future Systems will be closed on 12/24/2027.**

2026–2027 HOLIDAY SCHEDULE

DATE	HOLIDAY	FSI STATUS
Nov 26, 2026 - Thursday	Thanksgiving *	Closed
Nov 27, 2026 - Friday	Day after Thanksgiving	Closed
Dec 24, 2026 - Thursday	Christmas Eve	Closed at Noon
Dec 25, 2026 - Friday	Christmas Day *	Closed
Jan 1, 2027 - Friday	New Year's Day *	Closed
Jan 18, 2027 - Monday	Martin Luther King Jr. Day *	Open
Feb 15, 2027 - Monday	Presidents Day *	Open
May 31, 2027 - Monday	Memorial Day *	Closed
Jul 5, 2027 - Monday	Independence Day * (observed on Monday)	Closed
Sep 6, 2027 - Monday	Labor Day *	Closed
Oct 11, 2027 - Monday	Columbus Day *	Open
Nov 11, 2027 - Thursday	Veterans Day *	Open
Nov 25, 2027 - Thursday	Thanksgiving *	Closed
Nov 26, 2027 - Friday	Day after Thanksgiving	Closed

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BONUS PAYROLL PROCESSING

A simple worksheet for preparing holiday bonuses and special payments.

On-line form can also be found here

PLAN AHEAD

If your company provides holiday bonuses, performance-based incentives, or lump sum year-end payouts, please plan accordingly to ensure compliance with mandatory wire transfers or accelerated tax payment requirements.

BONUS PAYROLL CHECKLIST

Will the bonus be included with a regularly scheduled payroll?	☐ Yes	☐ No
If included with payroll, will it be on a separate check?	☐ Yes	☐ No
Will the bonus be issued as a live check?	☐ Yes	☐ No
Will the bonus be taxed differently from normal payroll?	☐ Yes	☐ No
Could federal tax liability exceed $100,000?	☐ Yes	☐ No
Could a single direct deposit reach $100,000?	☐ Yes	☐ No
Could total company direct deposits reach $500,000?	☐ Yes	☐ No

Special payrolls may require advance scheduling and wire funding. Confirm details with Future Systems, Inc.

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FUTURE SYSTEMS INC.

YEAR-END TAX PROCESSING HOLD REQUEST

RETURN DEADLINE: DECEMBER 21st, 2026

On-line submission can be found here

Placing a hold on year-end processing will delay returns/W-2s. Due to Federal and State filing deadlines, 4th Quarter Returns and W-2s will be processed on January 8th, 2027. Any adjustments received after this date will require amended returns and will incur additional charges.

Company code: _____

Company name: _____

Please hold processing of our quarterly / annual tax returns and W-2 forms. We expect to submit the following adjustments ***(Check all that apply)***:

- ☐ Bonus / Additional Payroll
- ☐ Third-Party Sick Pay
- ☐ Taxable Fringe Benefits
- ☐ Taxable Auto Allowance
- ☐ Sub-S Health Insurance *(S-Corporation Only)*
- ☐ Group-Term Life
- ☐ Voided Checks
- ☐ Employer-Sponsored Health Insurance *(required if 250+ employees in previous calendar year)*
- ☐ Other: _____

Acknowledgement of the 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 applicable eligibility and qualifications.

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 include W-2s.

Authorized Signature _____ **Title** _____ **Date** _____

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