

2020 Year End Webinar 11.19.2020

Thank you for joining us!



- All participants will be muted during the webinar. If you have any questions, please reach out to your support rep.
- If you have any feedback, please e-mail <u>training@ctrhcm.com</u>
- Please register for the other 2020 webinars-they can be found on your client landing page in isolved.

CTR Holiday Schedule

Payroll Services

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Thanksgiving – Thursday. Nov 26th & Friday Nov 27th CTR Offices Closed –see Client Landing Page and E-mail

Christmas Eve. – Thursday. Dec 24th

Closing at Noon

We will have a limited on-call staff until 5pm

If you normally process on Thursday, please submit your payroll by 11am.

ACH Files will be transmitted as normal

Christmas Day/New Year's Day – Dec 25th and Jan 1st

CTR Offices Closed

Federal Bank Holiday - No ACH Files will be transmitted

No EE Direct Deposits will occur

No funds transfers between clients and CTR accounts will occur

No Client packages will be shipped

Any payrolls submitted on either day, will **NOT** be processed until 12/28 or 1/4/20, and will not settle until 12/29 or 1/5/20.

New Year's Eve – December 31st

Normal Business Hours 8:30-5pm

Due to early UPS pick up, all payrolls must be processed by 11am.

How is my payroll affected due to holiday schedule?



If your processing/check date falls on Christmas/New Year's Day:

Processing/check dates have been adjusted for you. For example:

	Normal Sch	edule	Adjusted Schedule						
Check Date	Transfer Date	Processing Date Deadline	Check Date	Transfer Date	Processing Date Deadline				
12/25/2020	12/24/2020	12/23/2020	12/24/2020	12/23/2020	12/22/2020				
12/28/2020	12/25/2020	12/24/2020	12/28/2020	12/23/2020	12/22/2020				
12/29/2020	12/28/2020	12/25/2020	12/29/2020	12/24/2020	12/23/2020				
12/30/2020	12/29/2020	12/28/2020	12/30/2020	12/29/2020	12/28/2020				
12/31/2020	12/30/2020	12/29/2020	12/31/2020	12/30/2020	12/29/2020				
1/1/2021	12/31/2020	12/30/2020	12/31/2020	12/30/2020	12/29/2020				

- Refer to your payroll run schedule to see specific impact to your company
- Contact your support representative if you want to use a different pay date **PRIOR** to entering payroll data
- If you attempt to process your payroll after your scheduled Processing Date the system may prohibit you
 from processing your payroll and the payroll must be pushed through. As such, please make arrangements
 with your support representative prior to the holiday so that we can be sure your payroll is timely
 processed.
- Failure to process by the established deadline may result in additional processing fees

Impact to UPS Delivery



UPS works closely with CTR to provide guidance during the holiday season to ensure that packages are delivered timely. Due to the COVID-19 pandemic which will cause a major influx in shipping this holiday season UPS has suspended their "Service Guarantee" for all shipments other than Next Day Air.

As a result, CTR will automatically enroll all our clients to receive expedited shipment of their payroll packages according to the schedules below. This will come at an additional cost to our clients but feel that it is warranted to ensure payroll packages are delivered timely. The additional fee will be added as a one-time billing item which will be added to your last payroll processed in January 2021. *If you wish to opt-out of expedited shipment or make alternate arrangements, please contact your Customer Support Representative by Friday, December* 11th.

Effective 12/14/20, all payroll packages will be shipped UPS Next-Day Air. Normal delivery will resume 1/4/2021.

Go Paperless!



We ask our clients that receive a payroll package to consider the following options as we navigate the holiday season and flip the calendar to 2021 while dealing with the stress of a pandemic.

- Go Paperless! Sign up for Employee Self Service. This will allow employees to access their direct
 deposit vouchers online. This is a WIN for everyone as there is no risk of COVID-19 exposure and
 shipping fees are reduced or in some cases eliminated.
- Encourage employees to sign up for Direct Deposit. This is another WIN for the employee as it is convenient. No need to make that trip to the bank putting more time back in the employee's day. It also guarantees that employees are paid on time. If the employee does not have a traditional bank account, no problem! Ask your Customer Support Representative for information on our pay card option.

These options are easy to implement. If you would like to hear more about these options, please contact your Customer Support Representative.

Important to Remember!



All adjustments made after December 31, 2020 may result in penalties from tax agencies and CTR may charge additional fees for correcting or revising returns.

CTR will begin processing quarterly returns on January 6, 2021 and W-2s will print on January 6, 2021. If you plan on having changes, you must notify us in writing by 12:00pm EST, January 5, 2021. This notification should be sent to your Customer Support Representative. CTR will acknowledge receipt of this notification by 12:00pm EST, January 5, 2021.

2020 EMPLOYER SS Tax Deferral



Did you defer the employer social security tax in 2020 due to COVID-19? Remember: Your employer social security tax deferral will stop being deferred your last payroll of 2020.

How will I coordinate the payback of the social security tax amounts due?

Reminder: Any SS ER taxes deferred need to be paid back-at least 50% of total deferred is due by December 31, 2021 and the other 50% is due by December 31, 2022.

CTR will need to pay the amount by looking at the individual amounts withheld by pay date. We will not split the total evenly between percentages. Let's look at an example on the next slide...

2020 EMPLOYER SS Deferral



An employer has 5 pay dates where they deferred a total of \$125,000 of SS ER taxes for the year:

- 20,000 deferred on Pay Date 1
- 30,000 deferred on Pay Date 2
- 10,000 deferred on Pay Date 3
- 50,000 deferred on Pay Date 4
- 15,000 deferred on Pay Date 5

Since the total amount of taxes deferred was \$125,000 we know that the employer needs to pay a minimum of 50% by December 31st 2021: \$62,500. However, we have to add up the amounts from the individual pay dates until they exceed \$62,500. In this case the employer exceeds that amount when we add up the totals for pay dates 1, 2, 3, and 4. The total for those pay dates is \$110,000. This is the amount we will need to impound and remit to the IRS by December 31st 2021, since they crossed the 50% (i.e. 62,500) threshold with those payrolls.

The remaining amount of \$15,000 from Pay Date 5 can be paid by December 31st, 2022.

2020 EMPLOYER SS Deferral



If you want to pay your deferral earlier in 2021, please reach out to your support representative and our tax department will let you know the process and what information is needed to complete your request.

If you do not reach out to us earlier, CTR will contact you in November of 2021 for the first half of the 2020 payment required due 12/31/2021.

Taxes Can Be So Taxing



- CTR is happy to assist our clients whenever possible but <u>CTR cannot advise you on tax matters</u>.
- Tax decisions should be made in consultation with your company accountant, CPA, or Tax Attorney
- When a special item is presented to us that requires special taxation, we will configure the pay item according to your direction within the bounds of the software.



Employee Information



Did you hire a new employee in 2020? If so, you should verify:

- ✓ Social Security Number
- ✓ Employee's (Full) Legal Name—Does it match the Social Security Card?
- ✓ Employee's Address-Must be a physical address! The SSA does not accept a PO box as an address. PO Box numbers can be reported on address line 2 of the W-2.

Employee Summary

EMPLOYEE NAME & ADDRESS

Name

Joshua Abernathy

Address

113 Main Street

City

OAKWOOD VILLAGE

State

Ohio

Zip Code **44146**

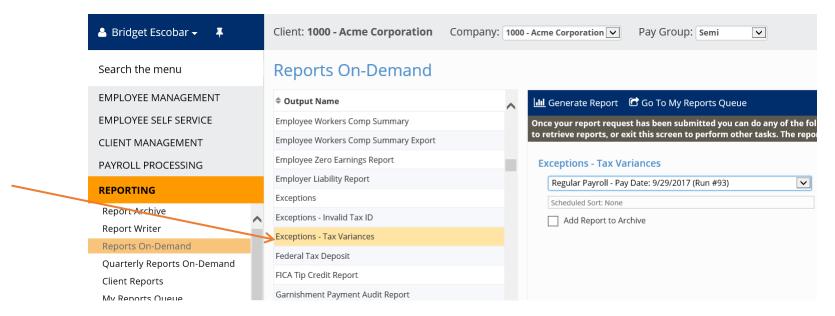
Note: If this information is inaccurate following the 1/5/2021 W2 review deadline you may be required to pay for a W2-C and an amended return.

Employee Information



After each payroll the following report will identify employee tax items that need attention:

Reporting > Reports On-Demand > Exceptions – Tax Variances



All Tax Exceptions/Variances must be reviewed and resolved prior the last payroll run.

State Unemployment Rate Changes



- ✓ When you receive a rate notice from any state, please send it to us promptly.
- ✓ Notices can be sent by email to your support representative or to us by fax.
 To expedite handling of notices sent by email, please use a subject line such as:
 - 2021 SUI Rate for (include name of state)
- ✓ The rate on file for your company determines the amount impounded for this tax. If the rate is not provided until some time after its effective date this will have a large impact since the first dollars earned in the year will all be subject to the SUI tax.
- ✓ Our secure fax number is 866.748.1412

Bonus and Special Pay Runs



These payrolls MUST be processed before December 31, 2020

Provide us with as much advance notice as possible especially if this will be done as a separate payroll run and not part of your regular payroll. *Now is not too early to notify us!*

POINTS TO CONSIDER:

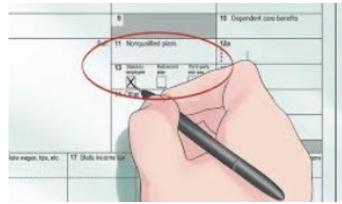
- ✓ If the total taxes for your special or bonus payroll run will be larger than your normal tax amount, we may need to make special arrangements to fund those taxes.
- ✓ Will you use the regular tax calculation for these pays or will the supplemental Federal and/or state rates be used?
- ✓ Will you allow these to be paid via direct deposit or do you want only paper checks to be used?
- ✓ What about deductions, like your 401k/403b/retirement deferrals? Will they be allowed? If so, remember that varying the withholding just for this pay is difficult.
- ✓ Will there be special delivery instructions for any paper checks in particular?
- ✓ If your bonus amount exceeds your approved ACH Limit Amount, you may be asked to wire the funds or provide proof of funds.

Third Party Sick Pay



TIMING:

Submit BEFORE the last payroll of the year!



Adding sick pay amounts after January 1 will delay the production of all of your W-2 forms and your tax reporting

POINTS TO CONSIDER:

- ✓ Who is responsible for reporting this on a W-2 to the employee—You or your provider?
- ✓ Did the employee pay any portion of the cost/premium either as a deduction or as a tax?
- ✓ Has the employee been receiving sick pay for more than 6 months?

Special Pay Items – Taxable Fringe Benefits (CTR™



If you provide Group Term Life insurance coverage in excess of \$50,000 for any employee this should be included in the employee's pay.

TIMING

Group Term Life should be added either with or before the last pay of the year to allow the employee to cover the taxes due.

POINTS FOR CONSIDERATION:

- If the employee is not receiving any more pays and this needs to be added, how will you cover the employee's taxes?
- ✓ Are you giving out gift cards or other items that have more than a "de minimus" value?
- Do the owners/managers/key employees need to be taxed on special earnings received?

Note: For any of the above, consult your company accountant or tax advisor and provide to us specific directions on what taxes apply. Sufficient advance notice needs to be given to us to make sure we are complying with those directions.

S-Corporation Owners Health Insurance



Is your company a subchapter S corporation?

Do you pay the cost of health insurance for anyone who owns 2% or more of the corporation?

IF YOU ANSWERED YES TO THE ABOVE:

- ✓ Consult with your company accountant or tax advisor.
- ✓ Provide to us any amounts that need to be added and which taxes apply BEFORE the final payroll of the year. There are differences among states regarding the taxability of this item!
- ✓ Reporting these items after January 1 can delay production of your W-2 forms for all employees and your tax reporting

Help! My W-2 does not match my final pay stub



It probably should not match.

REASONS IT WOULDN'T MATCH:

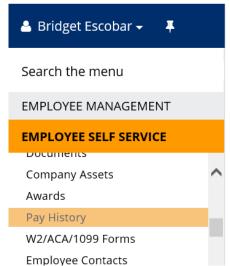
- You probably have pre-tax deductions that reduce taxable wages
- You may have earnings code, like reimbursements, that are not taxable
- The tax treatment of earnings or deductions may not be the same for your state or local taxes as Federal

Help! My W-2 does not match my final pay stub



HOW TO RECONCILE

Use the employee Pay History screen and select the final pay of the year.



In the Taxes section of the Paystub you will see the year-to-date wages that are used to create the W-2 form

Taxes				_
	Curr Dollars	Curr Wages	YTD Dollars	YTD Wages
SOC SEC EE			7886.40	127200.00
MED EE	589.89	25102.00	7588.95	399529.99
FEDERAL WH	6660.32	24362.88	100682.30	389716.63
CALIFORNIA WH	2586.16	24362.88	39058.06	389716.63
CALIFORNIA SDI EE			998.12	110902.00

Reconciling All Employee W-2's



W-2 RECONCILIATION REPORT

- This report can be run at any time but is most useful after the final payroll of the year
- Navigate to Reporting > Year End Reports on Demand
- Choose W-2 Reconciliation Summary



Paperless Forms



CTR has a feature that offers your employees the ability to "opt-out" of receiving all paper year-end tax forms W2/ACA/1099.

When this feature is turned on for your company, employees will be presented the option to opt out of paper year-end forms the next time they login to their employee self-service.

Employees who "opt out" will be able to retrieve an electronic copy of their year-end forms under Employee Self-Service>W2/ACA/1099 Forms. We will post the Electronic Copies approximately 1/18/2021 (This is subject to change).

Paperless Forms



Verifying if this Feature is Active for your Company

- If you would like this feature turned on you must notify us before your last payroll of 2020.
- Many employers have already chosen to activate this feature within their iSolved setting and have notified CTR.
- If you are unsure of whether you currently have this feature activated in your iSolved setting and whether employees have already opted out of receiving a paper W2s for 2020, you can navigate to Reporting>Client Report>Electronic Tax Form Delivery Status.
 - If the date field is empty for all employees then you are not offering this service or no employees have opted out of receiving paper copies.
 - If you do see a date field next to the name of some employees that means that the employees
 have opted out of receiving paper forms. Terminated employees will always receive a paper
 W2 form.

Paperless Forms



Remind employees who have opted out of paper forms

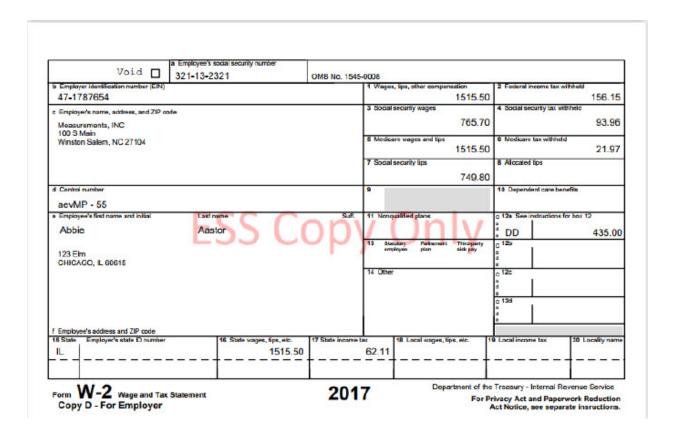
- You may have employees who forget that they have opted out of receiving paper forms. We recommend that it
 is good practice to send a quick email notifying employees where they may retrieve their electronic year-end
 forms in their employee portal.
 - If you would like to print a copy of your employee's year-end tax form navigate to Employee Self-Service>W2/ACA/1099 Forms.
 - If you would like a PDF copy of all of your year-end forms, navigate to Reporting>Year End Report Archive>1099-Misc Copy C Employer/ACA 1094-C and 1095-C Employer/W-2 Copy D Employer. Any employee who has elected electronic delivery will be included with an 'ESS Copy Only' watermark.

Year End Tax Forms Electronic Delivery



Year End Report Archive

- Employees that are not receiving a printed W2 will not appear in the W2 Pressure Sealed report in the Year End Report Archive. The client will only see W2s for the employees that received a printed W2.
- The employer W2 Copy D will include all W2s. However, the employees that are using the electronic version, will have a watermark identifying ESS Copy.



Masking SSNs on Year-End Forms

- CTR

 Payroll Services
- In order to protect employee Personal Information, the IRS is now allowing employers to mask the Social Security on employee year-end forms including W2s, 1099s, and 1095-C forms.
- If you would like to add the masking feature to your year-end forms please contact your customer support representative before you process your last regular payroll/pay date of 2020.
- Employer copies of the reports will not be masked. This is an all or nothing feature for all EE Copies of W2/1099/ACA forms for employees.

Copy BTo Be Filed With Employee FEDERAL Tax Return	Wage and Tax Statement	2020	OMB No. 1545-0008		
a. Employee's soc. sec. no.	1. Wages, tips. other comp 5800.00	2. Fed.	income tax withheld 570.35		
b. Employer ID number (EIN) 34-1233322	3. Social security wages 5800.00	4. Soc. sec. tax withheld 359.60			
d. Control number dmbrp4-99154	5. Medicare wages and tips 5800.00	6. Medicare tax withheld 84.10			

Year End Tax Forms Electronic Delivery



The ACA forms Employer Copy will also have a watermark in the upper left

Form 1095	-C		1	Employer-	nsurance Offer and Coverage							600117 CMB No. 1545-2251				
Department of the Treasury Internal Revenue Service ESS Copy Only				> Do not attach to your tax return. Keep for > Go to www.irs.gov/form/1095C for instructions and				p for your records.			RRECTED 2017			7		
Part I Empl	oyee						T	-	Applic	able Large I	Employer	Memb	er (Em	ployer)		
1 Name of employee 2 Social security number (SSN) Abbie Aaster 321-13-2321						7 Name of employer 8 Employer k Measurements, INC 47-1787654							identification number (EIN)			
3 Street address 123 Elm	(including apart	ment no.)	- 300				Street address (including room or suite no.) 100 S Main					10 Contact telephone number				
4 City or town 5 State or province IL				6 Country and ZIP or foreign postal code US 60615						12 State or p	12 State or province NC		13 Country and ZIP or foreign postal code US 27104			
Part II Empl	oyee Offer o	of Coverage	,				Plan Start I	Month	(Ente	2-digit numi	ber):	00				
	All 12 Months	Jan	Feb	Mar	Apr	May	y June		July	Aug	Sept		Oct	No	W .	Dec
4 Offer of Coverage (enter equired code)	1H															
S Employee Required Contribution (see Instructions)	s	s	s	s	s	s	s	s		s	s	s		s	s	*1
6 Section 4980H lafe Harbor and Other Relief (enter ode, if applicable)	2B					Ť		Ť				Ť		Ť	ľ	
If Emp		d self-insured		e, check the box				lividual	enrolle	d in coverage					Х]
(a) Name of covered individual(s) (b) 5			o) SSN or other TIN	or other TIN is not available)		(d) Covered all 12 months		(e) Months of Coverage					_			
17 Aastor, Abbie 3			321-13-2321				Jan	Feb	Mar Apr	May Jun	e July	Aug		X X		
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19							+ +	믐	Η	금본		#	片	井분	╡╠	╬

Approving ACA Forms



Once you have finished previewing your ACA Forms, you must "Approve" your forms in iSolved. Approving the forms will commit the forms to the Year End Batch Print for Service Bureau printing and filing. If you fail to approve your forms in iSolved, CTR will not be able to produce or file your ACA Forms so it is crucial that your complete this final step.

ALL ACA FORMS MUST BE APPROVED January 15th, 2021 (unless you are taking advantage of the IRS extension which allows employers to provide the Employee ACA Form by March 2, 2021)



Year End Checklist

To help you-please use the checklist below:

DUE DATE	DESCRIPTION	DATE
		COMPLETED
11/30/2020	I have verified whether any employees have opted out of paper Year	
	End Forms (these include W2, 1099, ACA) and have reminded them if	
	necessary. This report can be found in iSolved under Reporting>Client	
	Reports> Electronic Tax Form Delivery Status.	
12/11/2020	I have verified that my Check Dates are not on a Bank Holiday.	
12/11/2020	I have reviewed the UPS Holiday schedule to ensure Payrolls will be	
	delivered on time.	
12/14/2020	I have previewed my ACA Forms (if applicable)	
12/18/2020	I have verified whether I will have Fringe Benefits. If I have fringe	
	benefits, I have verified the appropriate taxation and W-2 box	
	designation. I understand this must be entered into payroll before I	
	close my year.	
12/18/2020	I contacted my insurance carrier regarding 3 rd party sick pay and have	
	sent the required information to CTR to record in the payroll system.	
12/27/2020	Bonus Payroll has been processed, if needed.	
12/27/2019	I have verified that all manual and voided checks have been posted.	
1/4/2021	I have reviewed my W-2s and 1099s by 12:00pm EST, January 4, 2021	
	and made all corrections in the payroll system, or we have notified our	
	Customer Support Representative of the changes.	
1/15/2021	I have approved my ACA Forms, if applicable	
2/1/2021	I have notified CTR of my state(s) SUI rate changes for 2021 by February	
2/1/2021	1, 2021. If you have not received one, contact the state for your new	
	rate and send it to CTR.	
	Tale and Send It to CTA.	



Questions?



CUSTOMER SUPPORT INFORMATION

Refer to the Client Landing Page for your Dedicated Support Representative and their Contact Info!

Phone: 1-800-468-2794

Fax: 1-866-748-1412

Email: (Client Landing Page)