

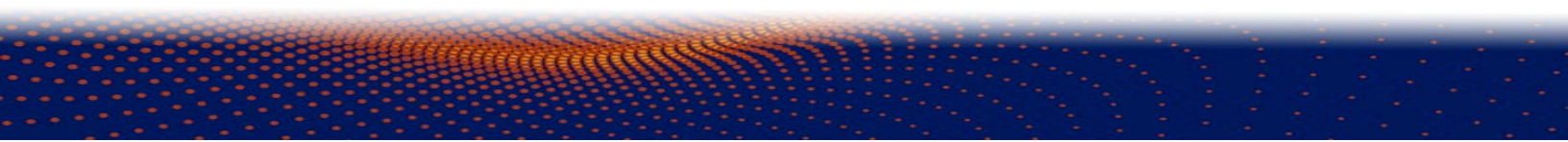


2024 Year End Guide

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CTR PAYROLL | HR YEAR END WELCOME LETTER

November 2024

Dear Valued Client,

Enclosed, you will find your 2024 planning guide. Please use this guide to ensure a smooth and accurate year-end. If you intend to process any special/adjustment payroll(s) affecting payroll data for the year 2024, please make sure you fill out and send the form for special/bonus payrolls to your Customer Support Representative to add any necessary check dates.

Please read through the next few pages carefully to make sure you have done everything necessary to have an accurate year-end. Also, pay special attention to the Year-End Checklist, which will guide you through the crucial items that must be completed from now until the end of this year.

If you are a client **“New”** to CTR in 2024 and converted mid-year, please be sure the information provided at conversion time is accurate. Verify that all your employee’s wages and taxes are correct in the system.

We hope that you have a great holiday season. Please feel free to contact us with any questions, comments, or suggestions you may have. Client feedback is always appreciated and will help us continue to provide you with the best support and solutions.

Sincerely,

CTR Payroll | HR

IMPORTANT DEADLINES FOR YEAR END

As soon as possible – Notify CTR Payroll as to which types of Fringe Benefits and/or Group Term Life (GTL) you will be reporting at Year End. This needs to be reported on a Live Payroll/Actively Paid EE's due to taxation.

January 8, 2025 – Last day to process correction payroll for 2024.

January 15, 2025 (Tentative) – W-2/1099/ACA Forms available to all employees via Employee Self-Service (ESS). If you would like this to be adjusted for a later date, you must email your CTR Payroll Support Representative before January 13, 2025, to override.

*****If you are receiving paper forms, we will deliver paper W-2/1099/ACA Forms to your delivery address on file as quickly as possible.*****

January 9, 2025 – Employers will need to approve ACA 1095 Forms for 2024 in iSolved.

Note: Do not approve your ACA form before 12/31/2024.

January 31, 2025 – All W2/1099 Forms must be provided to employees.

March 3, 2025 – All ACA Forms must be provided to employees.

HOW TO USE THIS GUIDE

This guide is provided to assist you in remembering all your year-end adjustments. We strongly recommend you review all this information carefully. Please also review this guide with your accounting department or accounting firm.

PLEASE REMEMBER

All adjustments made after **Friday, December 27, 2024**, may result in penalties from tax agencies, and CTR may charge additional fees for correcting or revising returns.

CTR will begin processing all quarterly returns and W2 | 1099s on **Thursday, January 9, 2025**. All payroll runs/adjustments/changes must be processed by Wednesday, **January 8, 2025, 5:00 pm EST**. Please reach out to your CTR Customer Support Representative for assistance.

CUSTOMER SUPPORT INFORMATION

Phone: 1-800-468-2794

Fax: 1-866-748-1412

E-mail: You can find the email and contact information for your assigned Customer Support Representative on the Landing Page of iSolved (the below will be populated with your Customer Support Representative's info).

MY ACCOUNT REPS



My Customer Support Representative

Customer Support Representative
800.468.2794 ext

WHAT YOU NEED TO DO

- Determine which payroll is the final payroll of the year for W-2 earnings and tax purposes. Payroll checks dated December 31st and earlier are considered 2024 earnings. Checks dated January 1st or later are considered 2025 earnings. Therefore, your last payroll dated in the month of December is your final payroll.
- Determine which items will affect the accuracy of my W-2 Forms?
 - **Third-Party Sick Pay:** Contact your disability insurance carrier for summaries of all sick pay made by a third party. Review the information provided by your insurance carrier. Send CTR any reports that have not been entered. This information must be reported, so your employees' year-to-date earnings are accurate. The employer's portion of FICA must be deposited, as well as reported in the 4th quarter for accurate quarterly returns and W-2s.
 - **Manual Checks:** Verify that all manual payroll checks have been included and reported during the year.
 - **Fringe Benefits:** Please check with your accounting department or accounting firm to determine if any adjustments/payments for fringe benefits need to be recorded. If you will need fringe benefits added, please contact your Customer Support Representative.
 - **Void Checks:** Verify that any payroll checks that were voided throughout 2024 have been voided in your records.
 - **Bonus Checks:** Companies preparing bonus payrolls should advise their Customer Support Representative of exactly how these items would be taxed by filling out the Request for Bonus Payroll Form, which has been provided along with this Guide. When processing your bonus payroll, be sure to remember to block any automatic deductions or earnings if applicable.

POTENTIAL PENALTIES AND INTEREST FOR LATE PAYMENTS

If you are increasing your payroll liability for the fourth quarter with an adjustment processed after December 31, 2024, the additional taxes due will be late, and your company is responsible for any, and all penalties and interest applicable. Also, should the Federal liabilities of any adjustment processed after your last normal payroll of December 2024 result in an updated aggregated Federal liabilities exceeding \$100,000, the total taxes will be considered late, and your company is responsible for any, and all penalties and interest applicable to this situation.

PAYROLL LIABILITIES FOR BONUS AND YEAR-END PAYROLLS

Should you need to process a payroll for year-end bonuses and/or adjustments, either as a separate process or included in a normal payroll cycle, please be aware that you may need to wire the funds to the CTR bank account two days before the check date. **We will require a bank wire if the total payroll/tax liability is more than \$200,000 (unless prior arrangements have been made with CTR).** In addition, please make sure you process any additional payroll runs at least 2 business days before the check date. Please contact your Customer Service Representative for wire instructions.

The deadline for submitting a payroll that contains any direct deposits is 11:00am EST two days before the check date (i.e., 11:00am EST on 12/4 for a check date of 12/6).

Please consult with your CTR Customer Support Representative beforehand if you believe this may apply to your company.

CHECK DATES

With the Christmas and New Year holidays, it is critical that you review your payroll calendar to ensure your check dates are properly reflected. December 25th and January 1st are banking holidays. Therefore, direct deposit transactions cannot be effective these days. If your normal check date falls on one of these dates and you choose not to change your check date, your employees' direct deposit transaction will not be deposited until the next available banking day. Please take a moment to review your calendar prior to starting your payroll.

*****Note: If a holiday falls on Sunday, the Federal Reserve will be closed on Monday.**

YEAR END RELATED FEES

Service	Fees
W2 Reprints	\$15/each
W2C	\$50/each up to 10 \$10/each additional form
Amended Returns	\$175 Base Fee \$25 Per Return

HOLIDAY PROCESSING

Our office will be closed for the Christmas holiday on Wednesday, December 25, 2024, and the New Year holiday on Wednesday, January 1, 2025.

Normally, in the past, we let our employees go home at noon on Christmas Eve, but because Christmas falls on a Wednesday, we will have a limited staff staying to support our clients. We would like to close early on Tuesday, December 24, 2024, so our staff can celebrate the holiday with their families. If you are submitting a payroll on Tuesday, December 24, 2024, we ask that the payroll be submitted by 11:00 am EST for processing. If you cannot meet the 11:00 am EST processing deadline, please notify your Customer Service Representative by Friday, December 13, 2024, so that we may accommodate you. Please keep in mind that if you submit payroll on Tuesday, December 24, and normally have your paychecks shipped out, the earliest you possibly will receive your payroll package is Thursday, December 26, 2024. As you may know, FedEx/UPS/USPS removes their guarantee during the holiday season, so please keep this in mind when processing payrolls this week.

GO PAPERLESS AND DIRECT DEPOSIT REMINDER

- **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, 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 into the employee's day. It also guarantees that employees are paid on time. If an 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.

INTUIT TURBOTAX > ISOLVED INTEGRATION UPDATE

TurboTax integration will be available. **There is no cost for this service.** Employees grabbing their W-2s from Employee Self Service or Adaptive Employee Experience will see the TurboTax cover page with a QR code and allow the employee to automatically connect with TurboTax. No employee information is shared with TurboTax until the employee requests to import their W-2 information from iSolved by the employee. If you would like to have this integration deactivated, please reach out to CTR Customer Support Representative.



You'll find your official IRS Form W-2 on the next page.

If you wish to prepare and file your income tax return electronically, you now have the option to import your official IRS Form W-2 into TurboTax via the QR Code below.

Otherwise, simply scroll to the next page to view your official IRS Form W-2.



Automatically import your W-2 to TurboTax for tax filing made easy.

Scan the QR Code to begin.

Alternatively, you can visit isolved.co/turbotax to access TurboTax directly.

HOW TO PRINT – REPRINT W2/1099/ACA FORMS

The purpose of this document is to provide instructions on how to Print and/or reprint year end documents for employees. This document is meant to instruct client users with the appropriate access. **If you have any questions, please contact your CTR Customer Support Representative for assistance.**

Employees Instructions

This information can be provided to your employees to view/download/print from their self-service portal.

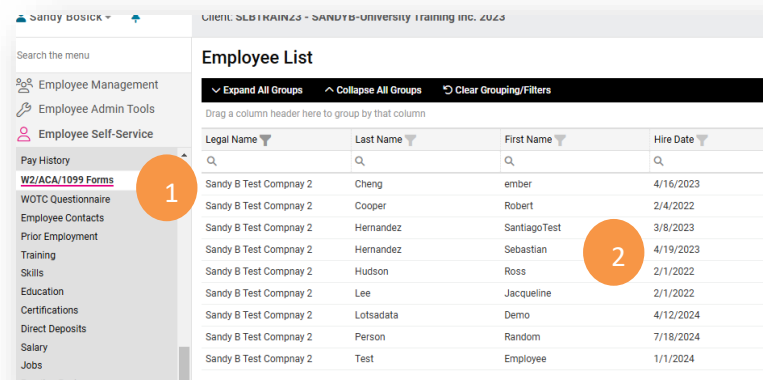
ENGLISH - [Viewing/Downloading Year End Tax Forms](#)

SPANISH - [Viewing/Downloading Year End Tax Forms](#)

Client User Instructions

You may have employees who forgot they have opted out of receiving paper forms, lost their forms, or are unable to access their forms electronically (see quick guides in the above section). This section will go through the instructions to Print a copy of the employee’s year-end tax form(s).

*Note – When sending information, it should be sent securely.



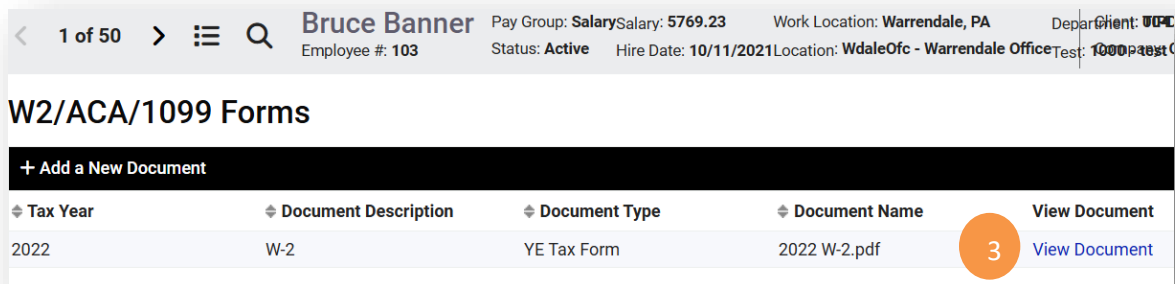
The screenshot shows the CTR self-service portal interface. The left sidebar contains a menu with various options, including 'W2/ACA/1099 Forms' which is highlighted with a red circle containing the number '1'. The main content area displays an 'Employee List' table with columns for 'Legal Name', 'Last Name', 'First Name', and 'Hire Date'. The 'Legal Name' column header is highlighted with a red circle containing the number '2'. The table contains several rows of employee data.

Legal Name	Last Name	First Name	Hire Date
Sandy B Test Compnay 2	Cheng	ember	4/16/2023
Sandy B Test Compnay 2	Cooper	Robert	2/4/2022
Sandy B Test Compnay 2	Hernandez	SantiagoTest	3/8/2023
Sandy B Test Compnay 2	Hernandez	Sebastian	4/19/2023
Sandy B Test Compnay 2	Hudson	Ross	2/1/2022
Sandy B Test Compnay 2	Lee	Jacqueline	2/1/2022
Sandy B Test Compnay 2	Lotsadata	Demo	4/12/2024
Sandy B Test Compnay 2	Person	Random	7/18/2024
Sandy B Test Compnay 2	Test	Employee	1/1/2024

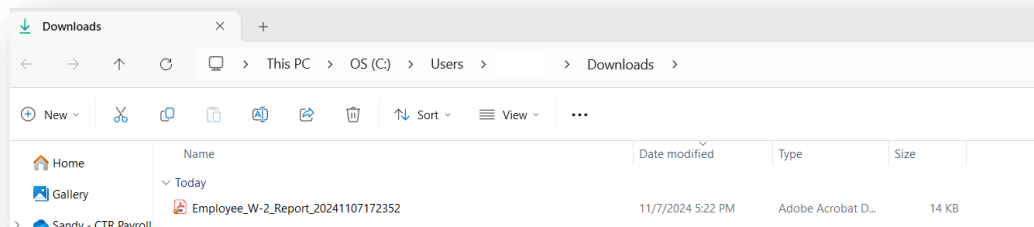
Single Employee

This section will provide instructions on how you can **download** the pdf copy of year-end tax forms for an employee.

- 1 Navigate to **Employee Self-Service → W2/ACA/1099 Forms** from the navigation tree OR use the search menu to quickly navigate to the **W2/ACA/1099 Forms** menu.
- 2 Select the employee who needs a form printed.
- 3 Use the **“View Document”** link to open the appropriate document for the appropriate tax year.



- The file downloads to the device download folder or the applicable folder configured for your device/system.



ALL Employees

This section will provide instructions on how you can **view/download** the pdf copy of year-end tax forms for all employees.

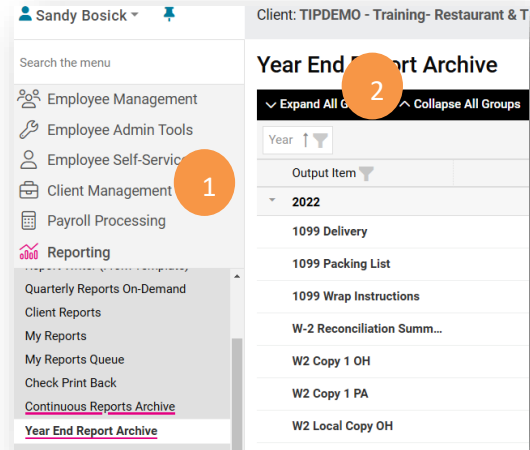
*NOTE - Any employee who has elected electronic delivery will be included here but will have an **ESS Copy Only** watermark.

1 Navigate to **Reporting** → **Year End Report Archive** from the navigation tree OR use the search menu to quickly navigate to the **Year End Report Archive** menu.

2 Navigate to and expand the appropriate Year

3 Navigate to the appropriate tax form in the list
 a. **W-2 Copy D Employer**
 b. **1099-Misc Copy C Employer**
 c. **ACA 1094-C and 1095-C Employer**

OR use the Search to quickly find the appropriate type



to the

Year End Report Archive

Isolved University Help

Expand All Groups Collapse All Groups Clear Grouping/Filters

Year ↑

Search: w-2 copy

Output Item	Batch #	Status	Print Date	Output Type	Generate Begin	Generate End	Actions
W-2 Copy D Employer		GENERATED		W-2 Copy D Employer	1/15/2023 9:57:35 PM	1/15/2023 9:57:37 PM	📄 📄

Year End Report Archive

Isolved University Help

Expand All Groups Collapse All Groups Clear Grouping/Filters

Year ↑

Search: w-2 copy

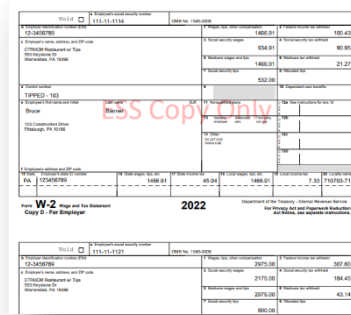
Output Item	Batch #	Status	Print Date	Output Type	Generate Begin	Generate End	Actions
1099 Delivery		GENERATED		1099 Delivery	1/15/2023 9:56:45 PM	1/15/2023 9:56:48 PM	📄 📄
1099 Packing List		GENERATED		1099 Packing List	1/15/2023 9:57:42 PM	1/15/2023 9:57:42 PM	📄 📄
1099 Wrap Instructions		GENERATED		1099 Wrap Instructions	1/15/2023 9:56:48 PM	1/15/2023 9:56:50 PM	📄 📄
W-2 Reconciliation Summ...		GENERATED		W-2 Reconciliation Summary	1/15/2023 9:56:52 PM	1/15/2023 9:56:54 PM	📄 📄
W2 Copy 1 OH		GENERATED		W2 Copy 1 OH	1/15/2023 9:57:14 PM	1/15/2023 9:57:15 PM	📄 📄
W2 Copy 1 PA		GENERATED		W2 Copy 1 PA	1/15/2023 9:57:17 PM	1/15/2023 9:57:18 PM	📄 📄
W2 Local Copy OH		GENERATED		W2 Local Copy OH	1/15/2023 9:57:26 PM	1/15/2023 9:57:27 PM	📄 📄
W2 Local Copy PA		GENERATED		W2 Local Copy PA	1/15/2023 9:57:27 PM	1/15/2023 9:57:28 PM	📄 📄
W-3 Transmittal		GENERATED		W-3 Transmittal	1/15/2023 9:57:31 PM	1/15/2023 9:57:31 PM	📄 📄
W-2 Pressure Seal		GENERATED		W-2 Pressure Seal	1/15/2023 9:57:31 PM	1/15/2023 9:57:35 PM	📄 📄
W-2 Copy D Employer		GENERATED		W-2 Copy D Employer	1/15/2023 9:57:35 PM	1/15/2023 9:57:37 PM	📄 📄

4 View the PDF copy of the tax form chosen.

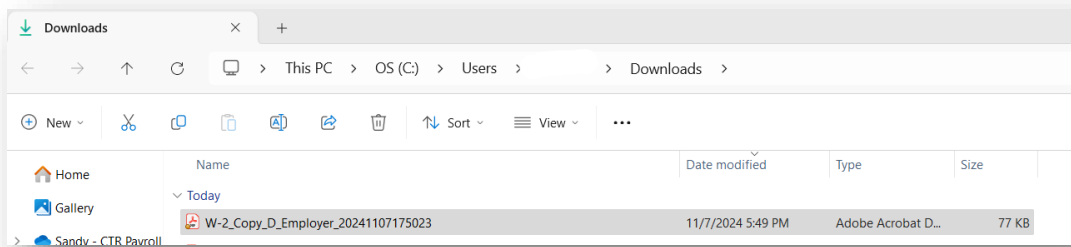


OR

5 Download the PDF copy of the tax form chosen.



- The File downloads to the device download folder or the applicable folder configured for your device/system.



REPORTING AMOUNTS ON FORM W-2, BOX 14

The IRS allows employers to use Form W-2, BOX 14 (Other) to report information to their employees (e.g., charitable contributions, and union dues). CTR can set up specific earnings/deduction codes to print in Box 14. If you want an earning/deduction code to print in Box 14, please notify your Customer Support Representative.

COST OF EMPLOYER-SPONSORED HEALTH COVERAGE FORM W-2 REPORTING

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only.

Who does the reporting requirement apply to?

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and Federal, state, and local government entities (except with respect to plans maintained primarily for members of the military and their families).

Reporting is mandatory for employers filing 250 or more Form W-2s. For certain smaller employers (those preparing fewer than 250 W-2 forms), the IRS has made this requirement optional. If this requirement applies to you or if you wish to do optional reporting, please contact your Customer Support Representative.

How is it reported?

The value of the health care coverage will be reported in Box 12 of Form W-2, with Code DD to identify the amount. There is no reporting on Form W-3 of the total of these amounts for all the employer's employees.

In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee.

An employer is not required to issue a Form W-2 solely to report the value of health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2. If you need more information, please contact your Customer Support Representative.

*******It is your responsibility to preview your W-2s and verify the amounts in Box 12 DD prior to printing W-2s. Review W-2s prior to December 1st and contact your Customer Support Representative for changes that you need to make. Additional fees will be charged if you fail to report changes that result in the reprinting of W-2s.

SPECIAL PAY ITEMS – TAXABLE FRINGE BENEFITS

GROUP TERM LIFE INSURANCE - GTL

If you provide Group Term Life insurance coverage in excess of \$50,000 or Fringe Benefits to report for any employee this should be processed in the employees' pay, on a live payroll.

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. This can be set up to run automatically with your live payrolls. Please contact your customer support rep for more details on how to set this up.

TIMING

- The employees need Earnings to be processed for tax calculations.
- Doing this on a live payroll will avoid you having to pay for a special adjustment run, and avoids additional work on your and CTR's end.
- If your employees are terminated with no live pay to process, please reach out to your Customer Support Representative for instructions.
- Remember to review your Payroll Register reports with each payroll, in case you are automatically and accidentally adding GTL to employees who have not been terminated in the system.

S-CORPORATION OWNERS HEALTH INSURANCE - SCORP

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 these items.
- ✓ Reporting these items after January 1 can delay the production of your W-2 forms for all employees and your tax reporting.

PERSON USE OF COMPANY CAR (PUCC) – AUTO

Personal Use of Company Car (PUCC) is when an employee uses a company vehicle for personal reasons and it is a taxable fringe benefit. Examples include using the vehicle for personal errands, commuting to/from work, weekend use, etc. If an employee uses a company car for those purposes you will need to determine its value and include it in the employee's compensation for tax purposes. There are other taxable fringe benefits as well. In general, these are monetary benefits in addition to an employee's wages (i.e. separate from their salary).

OTHER FRINGE BENEFITS

A complete list and Details can be found on the IRS website, click below link:

[Publication 15-B \(2024\), Employer's Tax Guide to Fringe Benefits | Internal Revenue Service](#)

POINTS FOR CONSIDERATION

- ✓ If the employee is not receiving any more pay 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 minimis](#)" 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 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.

AUTOMATION OPTIONS

You may be able to set these up to process with each payroll run automatically. This will allow the reporting and taxes to be completed throughout the year. A few items this would work for are:

1. GTL
2. SCORP

Please reach out to your CTR Support representative for inquiry, review, and setup.

2025 LIMIT CHANGES

2025 tax rates for Federal taxes with limits:

Tax	Employee Rate	Employer Rate	Limit
Social Security (OASDI)	6.20%	6.20%	\$176,100
Medicare	1.45%	1.45%	No Limit
Additional Medicare	0.90%	0.00%	Begins once an employee reaches over \$200,000 in taxable Medicare wages
Federal Unemployment (FUTA)	0.00%	0.60%	\$7,000

2025 Retirement Plan limits for most retirement plans:

Retirement Plan	Maximum Deferral	Catch-up Limit (Over 50 Years Old)	Eligible Wage Limit
401(k), 403(b), 457, and SARSEP	\$23,500	\$7,500	\$345,000
401(k), 403(b), 457, and SARSEP – SECURE 2.0	\$23,500	\$11,250 (60-63 Years Old)	\$345,000
Simple	\$16,500	\$3,500	\$345,000
Simple – SECURE 2.0	\$17,600	\$3,850 (Over 50 Years Old) \$5,250 (60-63 Year Old)	\$345,000
Defined Benefit Plan (SEPIRA)	\$70,000	\$0.00	\$350,000

Other considerations for Retirement Plans and compensation limits:

Employee Type	Compensation Limit
Highly Compensated	\$160,000
Officer Compensation	\$230,000
Key Employee – 1% Owner	\$230,000
SEP Coverage	\$750

2025 limits for Benefit Plans:

Retirement Plan	Limit (Employee/Employer Combined)	Catch-up Limit (Over 55 Years Old)
Health Saving Account (HSA) – Self	\$4,300	\$1,000
Health Saving Account (HSA) – Family	\$8,550	\$1,000
Flexible Spending Account (FSA) – Health	\$3,300	\$0.00
Flexible Spending Account (FSA) – Dependent Care	\$5,000	\$0.00
Qualified Transportation Benefit (QTB) – Parking	\$325/Month	\$0.00
Qualified Transportation Benefit (QTB) – Transit	\$325/Month	\$0.00

Please Note: The above information is what is known currently. Please consult with your tax advisor to determine if any of the above information has been revised.

W-2/1099-MISC-NEC-R PREVIEW

As part of the year-end process, we require that all clients review their W-2/1099s. **Employee W-2/1099 information must be correct as the IRS may charge a penalty for filing W-2/1099 forms with incorrect information.** As part of your review, please verify the following:

- The spelling of Employees' first and last names
- Accuracy of Social Security numbers- Please review employees' Social Security numbers, especially for new employees who started working for your company in 2024. Incorrect Social Security numbers will cause penalties to be imposed by the Social Security Administration. Every employee MUST have a Social Security number.
- Accuracy of employee addresses. They must have a home address entered.
- ***You can review your W-2s by running the reports called **Employee W-2 Preview** and **Employee W2 Verification**. These are available in iSolved under **Reporting > Client Reports**. If you have 1099 employees, you can review your 1099-MISC-NEC-R Forms by running the reports called **1099-MISC Copy C Employer**, **1099-NEC Copy C Employer**, and **Employee 1099-R**. These reports are available under **Reporting > Year End Reports On Demand**. Also, if you are taking advantage of our employee portal within iSolved, we recommend that you require all employees to verify their Social Security numbers, which appear on their Employee Profile.

Please review your W-2/1099's for accuracy and make any corrections in your payroll system on or before 12:00 pm EST, January 8, 2025. Any correction made after January 8, 2025, will require a new W-2/1099s to be produced or a W-2c/Corrected 1099. This will result in an additional charge. All W-2/1099s will be delivered via FEDEX|UPS Ground unless otherwise requested.

W-2 REFERENCE GUIDE

Below is a quick reference listing of identification codes used in Box 12:

CODE	DESCRIPTION
A	Uncollected Social Security taxes on tips
B	Uncollected Medicare taxes on tips
C	Taxable cost of group-term life insurance over \$50,000.00
D	Elective deferrals to a section 401(k) cash or deferred arrangement (including a SIMPLE 401(k) arrangement)
E	Elective deferrals to a section 403(b) salary reduction agreement
F	Elective deferrals to a section 408(k)(6) salary reduction SEP
G	Elective deferrals to a section 457 (b) deferred compensation plan
H	Elective deferrals to a section 501(C)(18)(D) tax-exempt organization plan
J	Sick Pay not included as income (Non-Taxable)
K	Tax on excess golden parachute payments
L	Non-Taxed Portion of employee business expense – (substantiated)
M	Uncollected social security taxes on group term life insurance over \$50,000.00 for former employees
N	Uncollected Medicare taxes on group term life insurance for over \$50,000.00 for former employees
P	Excludable reimbursed moving expenses
Q	Nontaxable combat pay
R	Employer contributions to an Archer medical savings account
S	Employee salary reductions for a Section 408(p) SIMPLE retirement account
T	Employer-provided (or employee salary reductions for) adoption expenses
V	Income from exercise of non-statutory stock option(s)
W	Employer and Employee contributions to an employee's health savings plan
Y	Deferrals under section 409A nonqualified deferred compensation plan
Z	Income under section 409A on a nonqualified deferred compensation plan
AA	Designated Roth contributions to a section 401(k) plan
BB	Designated Roth contributions under a section 403(b) salary reductions agreement
DD	Cost of employer-sponsored health coverage
EE	Designated Roth contributions under a governmental section 457(b) plan
FF	Permitted benefits under a qualified small employer health reimbursement Arrangement
GG	Income from qualified equity grants under section 83(i)
HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
II	Medicaid waiver payments excluded from gross income under Notice 2014-7

Contact your tax advisor for advice on how to identify wages and benefits on Form W-2. Be sure to notify your Customer Support Representative as early as possible.

IRS FEDERAL DEPOSIT NOTICE

In late November 2024, the IRS will mail tax deposit frequency change notices to all employers who have a change in their deposit frequency for 2025. If you receive one of these notices, it is very important that you fax or email the notice to your Customer Support Representative so that we can update our records. **CTR does not automatically receive this information.**

UNEMPLOYMENT INSURANCE RATE CHANGE FOR 2025

CTR does not automatically receive this information from your state(s). When you receive these notices, it is very important that you either fax or email the complete notices to your Customer Support Representative, so we can update our records. This information is very important for your 1st quarter returns in 2025. You should receive this information sometime in the 4th quarter. If you have not received a rate notice by February 1, 2025, please call each of your state unemployment offices to receive your new rates and send it to CTR.

AGENCY ASSESSMENT/PENALTY REMINDER

If your state unemployment tax is not paid at the correct rate, then penalties will be assessed by the tax agency, and your company may lose your discounted rate for FUTA tax. The IRS lookback period for FUTA tax is 2 years. If the IRS finds that your company did not pay 90% of its unemployment tax on time, then the IRS will increase your FUTA tax due. Any penalties or additional tax due will be the client's responsibility.

MINIMUM WAGE RATE AND CREDIT CHANGES (FEDERAL AND STATE LEVELS ONLY)

(These are for quick reference; the client is responsible for verifying proper local, state, and federal wage compliance based on their individual work locations)

*****Employers are responsible for updating their employees' pay rates to reflect the minimum wage. The iSolved system won't automatically make these adjustments.**

(General Industry, Private Sector Only)

[Note: Bloomberg Tax editors continually monitor developments and revise content as warranted. All amounts in this chart are in effect as of November. 7, 2024, unless otherwise indicated.]

	Hourly Minimum Wage Rate	Future Hourly Minimum Wage Rate	Tipped Employees		Credit for Meals/Lodging
			Minimum Cash Wage	Based on Maximum Credit of	
Federal	\$7.25	None	\$2.13	\$5.12	Yes
Alabama	No State-Mandated Minimum Wage				
Alaska	\$11.73	\$13 (Eff. 7/1/25) ¹	Tip Credit Not Allowed		None
Arizona	\$14.35	\$14.70 (Eff. 1/1/25)	\$11.35 (Eff. 1/1/25: \$11.70)	\$3	Yes
Arkansas	\$11	None	\$2.63	\$8.37	Yes
California	\$16 ⁴	\$16.50 (Eff. 1/1/25)	Tip Credit Not Allowed		Yes
Colorado	\$14.42	Indexed for Inflation	\$11.40	\$3.02	Yes
Connecticut	\$15.69	\$16.35 (Eff. 1/1/25)	Wait staff: \$6.38; Bartenders: \$8.23 ¹⁴	Wait staff: \$9.31 (Eff. 1/1/25: \$9.97); Bartenders: \$7.46 (Eff. 1/1/25: \$8.12) ⁴	Yes
Delaware	\$13.25	\$15 (Eff. 1/1/25)	\$2.23	\$11.02 (Eff. 1/1/25: \$12.77)	None
District of Columbia	\$17.50	Indexed for Inflation	\$10 (Eff. 7/1/25: \$12) ¹	\$7.50	Yes
Florida	\$13	\$14 (Eff. 9/30/25) ¹	\$9.98 (Eff. 9/30/25: \$10.98) ¹	\$3.02	None
Georgia	\$5.15 ²	None	None ²	None	None
Hawaii	\$14	\$16 (Eff. 1/1/26) ¹	\$12.75 (Eff. 1/1/26: \$14.75) ¹³	\$1.25 (Eff. 1/1/28: \$1.50) ¹³	Yes
Idaho	\$7.25	None	\$3.35	\$3.90	Yes
Illinois	\$14	\$15 (Eff. 1/1/25)	\$8.40 (Eff. 1/1/25: \$9)	\$5.60 (Eff. 1/1/25: \$6)	Yes
Indiana	\$7.25	None	\$2.13	\$5.12	None
Iowa	\$7.25	None	\$4.35	\$2.90	Yes
Kansas	\$7.25	None	\$2.13	\$5.12	None

	Hourly Minimum Wage Rate	Future Hourly Minimum Wage Rate	Tipped Employees		Credit for Meals/Lodging
			Minimum Cash Wage	Based on Maximum Credit of	
Kentucky	\$7.25	None	\$2.13	\$5.12	None
Louisiana	No State-Mandated Minimum Wage				
Maine	\$14.15	\$14.65 (Eff. 1/1/25)	\$7.08 (Eff. 1/1/25: \$7.33)	\$7.07 (Eff. 1/1/25: \$7.32)	Yes
Maryland	\$15	None	\$3.63	\$11.27	Yes
Massachusetts	\$15	None	\$6.75	\$8.25	Yes
Michigan	\$10.33	\$10.56 (Eff. 1/1/25) ¹	\$3.93 (Eff. 1/1/25: \$4.01) ¹	\$6.40 (Eff. 1/1/25: \$6.55) ¹	None
Minnesota	Large employers: \$10.85; Small employers: \$8.85 ⁴	\$11.13 for all employers (Eff. 1/1/25)	Tip Credit Not Allowed		Yes
Mississippi	No State-Mandated Minimum Wage				
Missouri	\$12.30	\$13.75 (Eff. 1/1/25) ¹	\$6.15 (Eff. 1/1/25: \$6.875) ¹	\$6.15 (Eff. 1/1/25: \$6.875) ¹	Yes
Montana	\$10.30 ⁴	\$10.55 (Eff. 1/1/25)	Tip Credit Not Allowed		Yes
Nebraska	\$12	\$13.50 (Eff. 1/1/25) ¹	\$2.13	\$9.87 (Eff. 1/1/25: \$11.37) ¹	None
Nevada	\$12	None	Tip Credit Not Allowed		Yes
New Hampshire	\$7.25	None	\$3.27	\$3.99	Yes
New Jersey	Most employers: \$15.13; Seasonal employers and small employers with no more than five employees: \$13.73; Agricultural employers: \$12.81; Long-term care facility direct care staff: \$18.13 ⁴	Most employers: \$15.49; Seasonal employers and small employers with no more than five employees: \$14.53; Agricultural employers: \$13.40; Long-term care facility direct care staff: \$18.49 (Eff. 1/1/25) ⁴	\$5.26 (Eff. 1/1/25: \$5.62)	\$9.87	Yes
New Mexico	\$12	None	\$3	\$9	None
New York	New York City and Nassau, Suffolk, and Westchester counties: \$16; Rest of the state: \$15 ⁵	New York City and Nassau, Suffolk, and Westchester counties: \$16.50; Rest of the state: \$15.50 (Eff. 1/1/25) ^{1,5}	Varies By Occupation and Locations		Yes

	Hourly Minimum Wage Rate	Future Hourly Minimum Wage Rate	Tipped Employees		Credit for Meals/Lodging
			Minimum Cash Wage	Based on Maximum Credit of	
North Carolina	\$7.25	None	\$2.13	\$5.12	Yes
North Dakota	\$7.25	None	\$4.86	\$2.39	Yes
Ohio	\$10.45 ⁴	\$10.70 (Eff. 1/1/25)	\$5.25 (Eff. 1/1/25: \$5.35)	\$5.20 (Eff. 1/1/25: \$5.35)	Yes
Oklahoma	\$7.25	None	\$3.63	\$3.63	Yes
Oregon	Portland Metro: \$15.95; Standard: \$14.70; Nonurban counties: \$13.70	Indexed for Inflation	Tip Credit Not Allowed		Yes
Pennsylvania	\$7.25	None	\$2.83	\$4.42	Yes
Puerto Rico	\$10.50	None	\$2.13	\$8.37	None
Rhode Island	\$14	\$15 (Eff. 1/1/25)	\$3.89	\$10.11 (Eff. 1/1/25: \$11.11)	None
South Carolina	No State-Mandated Minimum Wage				
South Dakota	\$11.20	\$11.50 (Eff. 1/1/25)	\$5.60 (Eff. 1/1/25: \$5.75)	\$5.60 (Eff. 1/1/25: \$5.75)	None
Tennessee	No State-Mandated Minimum Wage				
Texas	\$7.25	None	\$2.13	\$5.12	Yes
Utah	\$7.25	None	\$2.13	\$5.12	None
Vermont	\$13.67	\$14.01 (Eff. 1/1/25)	\$6.84 (Eff. 1/1/25: \$7.01) ⁶	\$6.83 (Eff. 1/1/25: \$7.00) ⁶	Yes
Virginia	\$12	\$12.41 (Eff. 1/1/25)	\$2.13 ²	\$9.87 (Eff. 1/1/25: \$10.28)	Yes
Washington	\$16.28	\$16.66 (Eff. 1/1/25)	Tip Credit Not Allowed		None
West Virginia	\$8.75	None	\$2.62	\$6.13	Yes
Wisconsin	\$7.25	None	\$2.33 ⁷	\$4.92 ⁷	Yes
Wyoming	\$5.15 ²	None	\$2.13	\$3.02	None

¹ See state summary for subsequent increases.

² Non-tipped employees subject to the Fair Labor Standards Act must be paid the federal hourly minimum wage rate of at least \$7.25 per hour, and tipped employees subject to the FLSA must be paid the federal hourly minimum wage rate of at least \$2.13 per hour.

³ Employers can take a tip credit if the combined amount of the employee's wages and tips total at least \$7 more than the current hourly minimum wage, and the employee earns more than \$20 per month in tips.

⁴ Different rates apply to certain employers/employees; see the state summary for further information.

⁵ Separate rates for fast food workers; see state summary for more information.

⁶ Applies to hotel, motel, tourist, and restaurant industry employees who earn at least \$120 per month in tips.

⁷ Rate is for non-opportunity-tipped employees; opportunity-tipped employees must be paid a cash wage of at least \$2.13 an hour.

Indexed for Inflation – Wage Rate Not Provided Currently.

2024 (FINAL) FUTA CREDIT REDUCTION INFORMATION

There is one U.S. territory and two States this year that have an outstanding Federal Unemployment Account (FUA) loan, based on high unemployment rates. This requires employers in these states to owe an increased amount of Federal Unemployment Tax Act (FUTA) payments for 2024. The following is the official list of states affected as of November 10, 2024:

STATE	TOTAL FUTA RATE	MAXIMUM FUTA CREDIT REDUCTION RATE	TOTAL NORMAL FUTA RATE	2024 FUTA CREDIT REDUCTION DUE TO OUTSTANDING BALANCE	2024 BCR ADD-ON	2024 NET FUTA RATE	2024 TOTAL FUTA TAX PER EMPLOYEE
California	6.0%	-5.4%	=0.6%	+0.9%	+0.0%	=1.5%	\$105
New York	6.0%	-5.4%	=0.6%	+0.9%	+0.0%	=1.5%	\$105
Virgin Islands	6.0%	-5.4%	=0.6%	+4.2%	+0.9%-0.9%*	=4.8%	\$366

*The US Virgin Islands is also potentially subject to the Benefit Cost Rate (BCR) additional credit reduction formula for having passed at least five consecutive January 1's with an outstanding Federal advance - FUTA section 3302 (c) (2). This value is based on wages and tax contributions for the calendar year of 2024. A state may apply for relief from a reduction in its FUTA credit under section FUTA 3302. The deadline for application of relief for all types was July 1, 2024. **The US Virgin Islands applied for, and was determined eligible for a waiver of the "BCR add-on" credit reduction.** The potential FUTA credit reduction for 2024 is calculated by adding the credit reduction due to having an outstanding advance plus the reduction from the 2.7% add-on or the BCR add-on if applicable, which can be waived and replaced by the 2.7 add-on per FUTA section 3302(c)(2)(C).

What this means to our clients:

If your company operates a location in one of the states listed above, then your FUTA tax amount will increase by the state's credit reduction percentage times your taxable wages for the whole year of 2024. This is an additional amount above the 0.6% CTR impound that always occurs after you process payroll.

For example, if you have FUTA taxable wage of \$100,000 in the Virgin Islands, then there will be a total tax amount owed of \$4,800 ($\$100,000 \times .048 = \$4,800$). This is only for FUTA wages for employees who worked in the Virgin Islands.

What if your company has multiple workplaces in multiple states? For example, if you have FUTA taxable wages of \$100,000, but only \$50,000 of the wages were for the Virgin Island employees, and \$50,000 wage was for Pennsylvania workers, then your company would only have an additional FUTA tax liability of \$2,400 ($\$50,000 \times .048 = \$2,400$).

This will be impounded in a payroll run sometime in December 2024.

POTENTIAL FUTURE CREDIT REDUCTIONS

Example: Many states have borrowed federal funds to pay for the surge in unemployment benefit claims and since they did not repay these loans timely the FUTA Tax Credit Rate is being reduced.

For a state to be assessed a credit reduction, it must have a balance from the federal unemployment tax account on Jan. 1 of two consecutive years and on November 10 of the year that the reduction would be assessed.

For more information on the FUTA Credit Reduction, please [click here](#).

AFFORDABLE CARE ACT REPORTING

The Patient Protection and Affordable Care Act (ACA) requires any employer with 50 or more Full-Time Equivalent (FTE) Employees in the previous calendar year to offer medical benefits to full-time employees and report this information to the Internal Revenue Service at the end of each calendar year. This information will be reported on the 1094-C and 1095-C IRS forms. Employers with less than 50 Full-Time Equivalent employees in 2024 who offered self-insured medical plans are required to report on the 1094-B and 1095-B Forms. CTR provides an ACA Reporting service to assist employers who are required to report. If you have signed up for CTR's ACA Reporting service, please read the instructions below regarding previewing and reviewing your ACA Forms. If you are unsure whether you need to report for 2024, please contact your Customer Support Representative for assistance.

PREVIEWING YOUR ACA FORMS IN ISOLVED

You may preview your ACA Forms in iSolved under [Client Management > ACA Setup Options > ACA Forms Approval](#).

When previewing your forms, please do the following:

1. Ensure that there is a 1095-C form for each Full-Time employee who was employed in 2024
2. Review the ACA Form Preview Guide in detail while reviewing your ACA Forms. If you have not received a copy of this guide from CTR, you may download a copy on your iSolved Home Page under "[Quick Links](#)."


Note: While CTR will produce and file the ACA Forms for clients who have signed up for ACA Reporting Services, it is the client's responsibility to review each ACA Form and ensure that the information reflected on the form is accurate.

ACA Forms Approval


Report Information

* Reporting Year:


Report Type for Selected Year: **ACA 1094-C and 1095-C Employer**




Preview Export with Audit




Run Alerts



Preview Forms



Approve Forms



Show History

Additional Resources:

<https://www.irs.gov/affordable-care-act/employers>

<https://www.irs.gov/pub/irs-dft/i109495c--dft.pdf>

APPROVING YOUR ACA FORMS IN ISOLVED

Once you have finished previewing your ACA Forms, you must “Approve” your forms in iSolved. You may approve your forms on the ACA Forms Approval Screen displayed above. 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 you complete this final step. **ALL ACA FORMS MUST BE APPROVED BY JANUARY 9, 2025. Any changes after you approve your ACA Forms will not be updated or included in the forms or filing. If additional changes are needed, please reach out to your CTR Payroll Support Representative. FAILURE TO APPROVE YOUR FORMS BY THIS DEADLINE MAY RESULT IN LATE OR INCOMPLETE FILING AND/OR PRINTING.**

Please Note: It is the customer’s responsibility to ensure 1094 and 1095 information is accurate and up to date. Should the files reject or come back as “Accepted with Errors,” fees will apply for sending additional corrected files to the IRS.

MASK SSN FOR EE YEAR END REPORTS

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 CTR Customer Support Representative before you process your last regular payroll/pay date of 2024. 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. ER Copies will not be masked.

ANNUAL PAPERLESS YEAR-END TAX FORMS FEATURE REMINDER FOR EMPLOYERS

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 with the option to opt-out of paper year-end forms the next time they log in 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.

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 2024. 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 2024, 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.

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.

The employer can do this under [Employee Self-Service > W2/ACA/1099 Forms](#) (to reprint individual forms).

To get a PDF of employer copies, see under [Reporting > Year End Report Archive > 1099-MISC Copy C Employer/ ACA 1094-C and 1095-C Employer/W-2 Copy D Employer](#). This will provide a PDF version of all employer copies of tax forms for your employer records. Any employee who has elected electronic delivery will include an 'ESS Copy Only' watermark.

If you have any questions, please contact your CTR Customer Support Representative for assistance.

CLIENT YEAR END CHECK LIST

THIS IS FOR THE CLIENT'S USE ONLY, DO NOT RETURN THIS SHEET TO CTR

DUE DATE	DESCRIPTION	DATE COMPLETED
As Soon As Possible	I have verified whether I will have Group Term Life (GTL) and/or Fringe Benefits. If I have Fringe Benefits and/or GTL, I have verified the appropriate taxation and W-2 box designation. I understand this must be entered into a live payroll on actively paid employees before the last payroll of the year. Do not enter Fringe Benefits/GTL on terminated employees. Contact your Payroll Support Representative for review/instructions before processing, if needed.	
Right Now!	I have reviewed my processing calendar to determine how upcoming holidays affect my process and pay dates.	
Right Now!	I have reviewed my holiday schedule to ensure payrolls will be delivered on time.	
Right Now!	I have previewed my ACA Forms (if applicable)	
12/2/2024	I have verified whether any employees have opted out of paper Year End Forms (these include W2, 1099, and ACA) and have reminded them if necessary. This report can be found in iSolved under Reporting > Client Reports > Electronic Tax Form Delivery Status.	
12/23/2024	Bonus Payroll has been processed if needed.	
12/27/2024	I have verified that all manual and voided checks have been posted. This is the final day for all 2024 payrolls to be processed	
12/31/2024	I contacted my insurance carrier regarding 3 rd party sick pay and I will send the required information to CTR to record in the payroll system.	
1/8/2025	I reviewed my W-2s and 1099s by 11:00 a.m. EST on January 8, 2025, and made all corrections in the payroll system, or we notified our CTR Customer Support Representative of the changes.	
1/9/2025	I have approved my ACA Forms, if applicable. Remember all updates/changes must be entered into iSolved prior to approval. <i>Note: Do not approve your ACA Forms before 12/31/2024.</i>	
2/1/2025	I have notified CTR of my state(s) SUI rate changes for 2024 by February 1, 2025. If you have not received one, contact the state for your new rate and send it to CTR.	