Ph: 259-6960 - Fax: 259-5331 - info@payrolldept.biz

2014 Year-End Guide
&
Reply Form

To ensure the accuracy and timeliness of your W2s,

Please complete and return the attached REPLY FORM by:

Friday, December 5th

If you fill out this form and return it **electronically** (via PDF) by Dec 5th,
you will be entered into our drawing for either of these two great prizes!!

- $50 gift certificate to Backcountry Experience
- $50 gift certificate to 6512' Restaurant

Here's how:

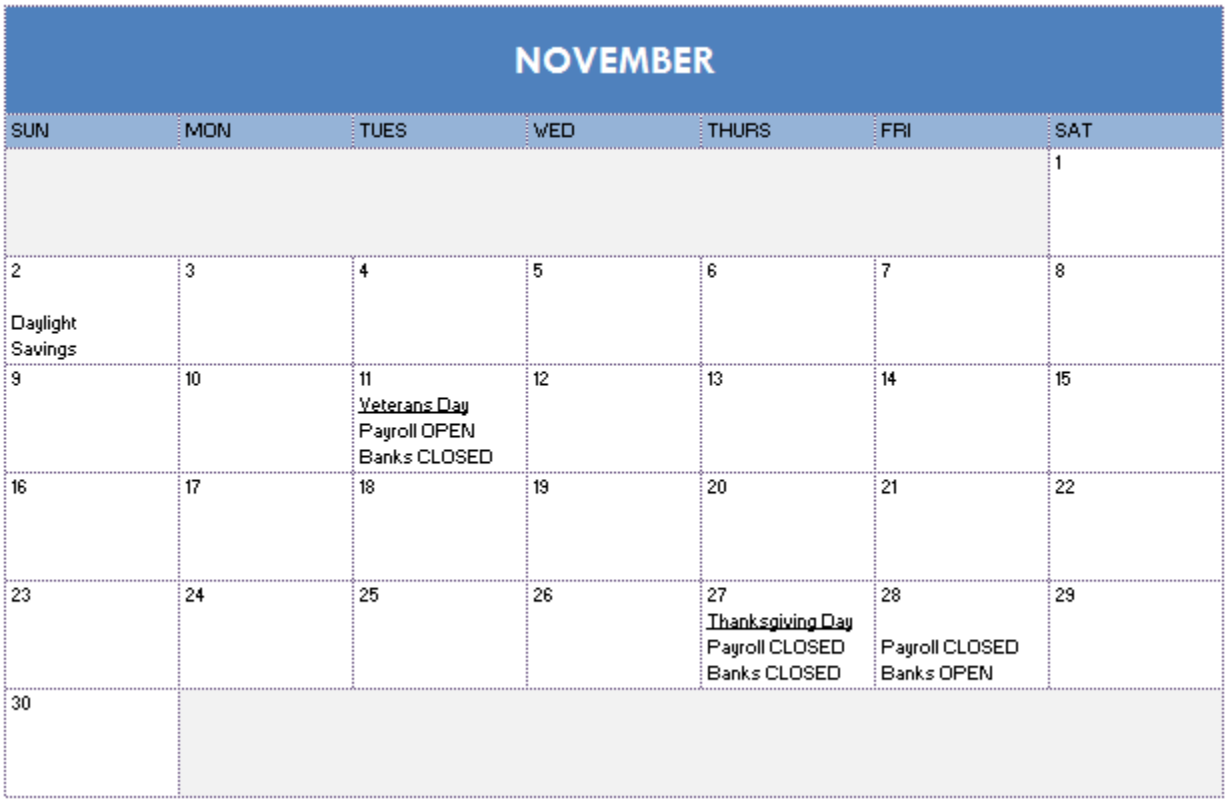
1) Go to our website www.payrolldept.biz.
2) Download the "Year End Reply Form" in the Payroll Dept Newsflash (on the left).
3) Save the form on your computer, fill it out electronically, and email it to your primary payroll processor or info@payrolldept.biz.

Important dates:

Your 2015 Payroll Schedule will be included in your payroll reports with your first check date of December and it is also attached to this package. Please review this and the calendars below for the dates our office and banks are closed. Remember, if you have direct deposit for your employees, they cannot be paid on a banking holiday. Please notify us what day you would like direct deposits to credit the employee accounts when you submit your payroll (the debit to the company will happen one business day prior to the employee credits). Your submission deadline is 11:00 am at least two business days prior to check date.

Holiday:	Payroll Department Closed:	Banks Closed:
• Thanksgiving	Thurs, Nov 27th	Thurs, Nov 27th
• Day after Thanksgiving	Fri, Nov 28th	OPEN
• Christmas Eve	Wed, Dec 24th (closing at 1pm)	OPEN
• Christmas Day	Thurs, Dec 25th	Thurs, Dec 25th
• Day after Christmas	Fri, Dec 26th	OPEN
• New Year's Day	Thurs, Jan 1st	Thurs, Jan 1st

We will have your W2s ready for pick-up on Monday, January 12th! Feel free to stop by our office if you would like to pick them up. Please do not send your employees individually to pick up their own - they all need to be picked up by you or by another authorized contact. If you don't pick up your W2s, we will mail them to your business address on Friday, January 16th. Please let us know if your business mailing address has changed this year. Make sure you post-mark employee W2s by February 2nd. For terminated employees, mail them to the last known address you have on file.



NOVEMBER						
SUN	MON	TUES	WED	THURS	FRI	SAT
						1
2 Daylight Savings	3	4	5	6	7	8
9	10	11 Veterans Day Payroll OPEN Banks CLOSED	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27 Thanksgiving Day Payroll CLOSED Banks CLOSED	28 Payroll CLOSED Banks OPEN	29
30						

DECEMBER

SUN	MON	TUES	WED	THURS	FRI	SAT
	1	2	3	4	5 YEAR-END REPLY FORM DUE!	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24 Christmas Eve Payroll CLOSED-1pm	25 Christmas Day Payroll CLOSED Banks CLOSED	26 Payroll CLOSED Banks OPEN	27
28	29 LAST day to submit 2014 payroll data!	30	31			

JANUARY

SUN	MON	TUES	WED	THURS	FRI	SAT
				1 New Year's Day Payroll CLOSED Banks CLOSED	2	3
4	5	6 State tax pmts due for any 12/31/14 payrolls	7 Fed tax pmts due for any 12/31/14 payrolls	8	9	10
11	12 Quarterlies/W2s available for pick up!	13	14	15	16 Quarterlies/W2s not picked up will be mailed!	17
18	19 MLK Day Payroll OPEN Banks CLOSED	20	21	22	23	24
25	26	27	28	29	30	31
1 - FEBRUARY	2 - FEBRUARY Employee W2s MUST BE POSTMARKED!					

Things to look out for during "Year-End":

If you need to make any changes after your last scheduled payroll, please call us immediately. If you notify us, we will delay your W2 processing to give you time to make these changes. **Any adjustment payroll information for 2014 provided to us after December 31th will incur a $175 fee plus applicable fees for amended returns.**

You will receive copies of all completed W2 forms with your 4th quarter returns. We charge $20 for each W2 reprint, so please keep these copies on file. We will mail official paper copies to your business address on January 16th. For security purposes, we do not mail anything directly to your employees from our office. Unless you request us not to, we will file your Federal W2s (Copy A) and state copies automatically. Please do not send anything from your office to these agencies.

2015 Unemployment Rate Notices will be mailed from the Department of Labor in December. If you receive this rate notice, please forward to us as soon as possible.

2015 payroll-related tax changes:

⇒ The Social Security wage base for 2015 is $118,500 (up from $117,000).

⇒ As in 2014, if you have an employee who earns more than $200,000 in 2015, that person will pay an additional .9% in Medicare tax on the amount over $200,000. There is no additional employer match on this .9%.

⇒ 401(k) and 403(b) pension plan elective deferral (employee contribution) limit is increased from $17,500 to $18,000. The catch-up contribution limit for employees aged 50 and over will increase from $5,500 to $6,000.

⇒ SIMPLE plan contribution elective deferral (employee contribution) limit is increased from $12,000 to $12,500. The catch-up contribution limit for employees aged 50 and over will increase from $2,500 to $3,000.

⇒ On January 1, 2015, the Colorado Minimum Wage is proposed to be $8.23 and $5.21 for tipped employees. The Federal Minimum Wage remains at $7.25 per hour. **Please let us know on your first payroll in 2015 if you pay employees at minimum wage and we will update your rates! If you use Aloha (POS System), you must update your rates.**

⇒ The Colorado Unemployment base for unemployment tax is calculated to increase from $11,700 per employee per year to $11,800 per employee.

⇒ HSA Limits for 2015: Individual = $3,350 (up from $3,300), Family = $6,650 (up from $6,550). If you are 55 or older, you may contribute an additional $1,000 to your HSA (no change from 2014).

⇒ Employer paid Health Insurance will need to be captured on the 2014 W2 for certain companies. This will ONLY apply if the employer issued 250 or more W2s in 2013.

⇒ The IRS now enforces the segregation of tips as compared to Distributed Service Income (DSI) for all restaurants. DSI is when the tip is no longer discretionary such as for banquets (fairly easy to segregate) to mandatory tips when there is a party of "x or more, a y% gratuity will be added to your bill," (a seemingly more difficult tip to segregate). There are many impacts to a restaurant if they choose to keep the automatic gratuity (autograt) – please check with your CPA on the best way for your company to work with this.

Year-End Reply Form Instructions:

#1: HOLDING Year-End Processing

We start processing W2s on Thursday, January 1st. If you need to make any adjustments or changes to your 2014 payroll records, please mark "yes" to item #1 and return your Year-End Reply form ***as soon as possible – and no later than Friday, December 5th.*** Reasons to put your year-end processing on hold may include:

- You are unsure of a figure that is asked in items 4 - 11 below.
- Recording allocated tips (for large food/beverage establishments).
- Recording additional wages that were missed earlier in the year.

2, 3: Verifying W2 Information

Please review your "W2/1099 Edit" carefully – You should have received this report with your last payroll in October and your first payroll in November (use either one). If you have not received this information, please contact your payroll processor as soon as possible.

#4: Bonus Pay Runs in 2014

Year-End is a busy time. If you have bonuses that you would like to pay your employees, we will process these separately from your regularly scheduled payroll. Regardless of the check date, we will process bonus pay runs on Thursdays or Fridays. This process will ensure your bonuses receive the time and attention they need. **The last day to submit bonus info is Wednesday, December 24th**. Please answer the following questions when you submit your bonus pay run information:

1. What is the check date you will be using?
2. Are they a secret?
3. Are the amounts you provide to us gross (pre-tax) or net (take-home)? An example: "Please pay a bonus of $150 less taxes." or "Please pay a bonus of $150 after taxes have been calculated."
4. Are there any special deductions such as 401(k), Simple IRA, etc. that should happen? Or are there any scheduled deductions that should NOT happen (garnishment rules must still be followed)?
5. Would you like payments made via direct deposit or live check?
6. If live checks, how would you like them delivered? Hold in our office, USPS mail, or Kangaroo delivery?
7. Would you like them in secure envelopes separate from one another?
8. If live checks, would you like them signed?
9. You may want to consider the tax consequences on bonuses as there are IRS rules around this. We will let the system default (IRS guidelines) unless you specify otherwise.

#5: Third Party Sick Pay

You must report both taxable and non-taxable sick pay made to employees from a third party, as well as taxes withheld on those payments. These payments must be included on the employee's W2 or on a separate form provided by the third party. Please call your third party provider to request this information so you can forward it to us.

#6: Qualified Pension Plans

IRS regulations require that an "X" be displayed in the box on the W2 marked "Pension Plan" for all employees who participated during any part of the year in a Qualified Pension Plan. We need to know if you have a **100% company-funded plan** (no employee deductions through payroll). This box will automatically display an "X" for any employees who have had payroll deductions for a Deferred Compensation Plan such as a 401(k), 403(b) or SIMPLE IRA.

#7: Personal Use of Automobiles
Please provide the dollar value for the year for any personal use of a company vehicle. This is a taxable event and needs to be recorded on the employee's W2. If you need assistance with calculating the dollar value, please consult your CPA.

#8: Group Term Life Insurance
If any of your employees have over $50,000 in company provided life insurance coverage, this is a taxable event for them, and needs to be reported on their W2. If you mark "yes" to this box, we will email you a spreadsheet for calculating the taxable GTL amounts. Please email this spreadsheet back to your payroll rep along with your last payroll of the year!

#9: Employer Contributions to HSA (Health Savings Account)
Did you (the employer) contribute to an employee's Health Savings Account? Please list these amounts ONLY if these have NOT already been run through our payroll process. These amounts are required to be added to their W2.

#10, 11: S-Corporation Owners
Please provide the amount of health insurance under a group plan that the corporation paid on behalf of its owners in question #10. This includes vision and dental, but not life, insurance. If you have an HSA account, please list the amount contributed by the company into the owner's HSA separately in question #11. Please only list these amounts if they have NOT already been recorded through our payroll process. **New under the Affordable Care Act for 2014: Reimbursements by the company for health insurance are not permitted for all employees including S-Corp owner/employees. **

#12: 1099 Form Preparation
If you paid any contractors through our payroll process, we will only prepare your 1099 forms **If instructed by you to do so.** The main purpose of the 1099 form is to let the independent contractor and the IRS know the amount that was paid to him/her for the year. Unless the amount was paid to an attorney, a 1099 does not need to be issued if it is under $600. If you mark "yes" to this box, we will email you the additional forms necessary for 1099 processing. Please note that there are additional charges for this service.

#13, 14, 15, 17: Additional Requests
Please let us know if you are interested in purchasing any additional items such as Labor Law Posters, Simple IRA Reviews, 3-Ring Binders, or flash drives!

#16: Affordable Care Act (ACA)
We have tools that we can help you assess whether you employ 50 for more Full Time Equivalent Employees for ACA purposes. If you believe you are a large employer or have any question as to whether you may be considered a large employer, please let us know!

Last page:
Please fill out our "Authorized Contacts" page completely to ensure our records are correct!

**Should you have any questions about any of these topics or any other Year-End issue, please email or call us. We want your year-end process to go as smoothly as possible. Our phone hours are:

Monday - Thursday: 9am to 5pm
Friday: 9am to 1pm

The Payroll Department, Inc.
2530 Colorado Avenue, Suite 2B
Durango, CO 81301

Phone: 970.259.6960
Fax: 970.259.5331
Email: info@payrolldept.biz
Website: www.payrolldept.biz

2014 YEAR-END REPLY FORM

DUE: Friday, December 5th

**If you email us this form via PDF Fillable, you will be entered in our drawing for the following prizes:
$50 gift certificate to Backcountry Experience
$50 gift certificate to 6512' Restaurant
Download the form from the "Newsflash" section of our website: www.payrolldept.biz.
Then, simply attach and email your completed form to your primary payroll processor or info@payrolldept.biz.

Business Name_____ CLIENT #_____
Name of person filling out form: _____
Email address: _____Phone #: _____

	YES	NO	
1.	○	○	Please **HOLD** on my year-end processing because:
2.	○		I have reviewed one of the "W2/1099 Edit (S162)" reports which were included in my last payroll of October and first payroll in November. I understand that a minimum of $15 will be charged per corrected W2 if the SSN needs to be changed after 12/30/14.
3.	○	○	I have attached the "W2/1099 Edit (S162)" report with **employee changes** to Social Security numbers and addresses.
4.	○		I understand that **if we have a bonus** pay run that it will be processed on the Thursday or Friday following the submission. The last day to submit 2014 bonuses is Wednesday, December 24th.
5.	○	○	We have employees who received **third party sick pay.** I have attached a detailed printed report from the third party administrator.
6.	○	○	We have a **100% company funded pension plan.** I have attached a printed report with employee names.
7.	○	○	We have **personal use of a company vehicle**. Please record the following amounts on the 2014 W2: $_____ for (name) _____ $_____ for (name) _____
8.	○	○	We have a **Group-Term Life Insurance policy** in which at least one employee receives a benefit greater than $50,000. Please email me the forms necessary for processing to the email address listed above!

	YES	NO	
9.	◯	◯	Our company has contributed to a **Health Savings Account (HSA)** for one or more employees and these amounts have NOT been recorded through any 2014 payroll. Please add the following amounts that the company contributed to the 2014 W2s: $_____ for (name) _____ $_____ for (name) _____ $_____ for (name) _____ $_____ for (name) _____
10.	◯	◯	We are an S-Corporation AND the **company paid health insurance premiums for the owners.** These amounts have NOT been recorded on any 2014 payroll. Please add the following amounts on the 2014 W2s: $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____
11.	◯	◯	We are an S-Corporation AND the **company paid into an HSA for the owner**s. The Payroll Department is currently unaware of this so please add the following amounts on the 2014 W2s: $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____ $_____ for (Owner's Name) _____
12.	◯	◯	We would like The Payroll Dept to process our **1099 Forms** for payments made to independent contractors in 2014. Please email me the forms necessary for processing to the email address listed above! There are additional fees for this service.
13.	◯	◯	I would like to purchase the REQUIRED Federal and State 2015 Labor Law Posters from The Payroll Department. We have three options! 1) Single poster $40: (Qty)_____ (State #1)_____ (Hold)_____or (Mail $8 fee)_____ Single poster $40: (Qty)_____ (State #2)_____ (Hold)_____or (Mail $8 fee)_____ 2) Monthly Subscription $40 activation + $8/month: Includes annual poster plus new replacement posters when there are any new required state/federal postings. (Qty)_____ (State)_____ (Hold)_____or (Mail $8 fee)_____ 3) Monthly Subscription $40 activation + $5/month: Includes annual poster plus emailed posters to print and post when there are any new required state/federal postings. (Qty)_____ (State)_____ (Hold)_____or (Mail $8 fee)_____
14.	◯	◯	I would like The Payroll Department to **review our SIMPLE IRA Employer Match Contributions** for any discrepancies. I understand that I am ultimately responsible for ensuring we have met the requirements of our plan. The cost for this service is $50.00.
15.	◯	◯	I would like to purchase a 2015 **3-Ring Binder Notebook**. ($18.50)
16.			Under the Affordable Care Act (ACA), there are significantly increased responsibilities if we have 50 or more Full Time Equivalent (FTE) employees for all or most of the year. Please mark yes or no to **ALL** three statements below:
	◯	◯	I definitely have 50 or more FTE's
	◯	◯	I definitely don't have 50 or more FTE's
	◯	◯	I don't know… please help! Min $10 fee will apply
17.	◯	◯	I would like to upgrade my 2014 Payroll CD to a flash drive. The upgrade fee adds **$10** to my normal Payroll CD fee.

Authorized Payroll Contact Information

Please list your current authorized contacts. This list should include any business owners, managers, bookkeepers or CPAs. Anyone listed here will be authorized to discuss your payroll account in full. This includes submitting payroll, accessing social security numbers, pay rates, pay history and making any changes to your account.

PRIMARY CONTACT

NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

CONTACT #2

NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

CONTACT #3

NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

CONTACT #4

NAME:	
TITLE:	
E-MAIL:	
PHONE # / ext.	
Exceptions to complete access:	

***The Payroll Department will DELETE any contacts we have on file that are NOT listed above.**