



**YEAR END CLIENT NEWSLETTER  
NOVEMBER 2018**

Dear Client:

The following is a list of due dates in order to accurately prepare your payroll and to conform to various filing and compliance regulations:

<b>Date</b>	<b>Description</b>
11/22/2018	Digit Payroll is closed.
11/27/2018	If you sponsor a 401(k) or Simple Plan, check and adjust birthdates for each employee.
12/14/2018	Communicate to payroll specialist any employee receiving disability payments.
12/14/2018	ACA reporting. Advise specialist if you intend to use Digit Payroll to prepare 1095 forms.
12/14/2018	Advise payroll specialist of employees' in pension plans,
12/17/2018	Submit any federal or state deposit requirement changes and any state (except NJ) SUI/SDI rate changes for 2019.
12/19/2018	All payrolls with a check date of December 21, 2018, must be submitted by 2:00pm on December 19, 2018.
12/24/2018	Digit Payroll closes at 12 noon.
12/25/2018	Digit Payroll is closed. Submit payroll one day early.
12/26/2018	All payrolls with a check date of December 28, 2018, must be submitted by 2:00pm on December 26, 2018.
12/27/2018	All year-end adjustments, fringe benefits, etc. must be submitted.
12/28/2018	Make sure all employee mailing addresses and SSN's are updated online or with your specialist.
12/31/2018	Digit Payroll closes at 12 noon.
1/1/2019	Digit Payroll is closed. Submit payroll one day early.
1/2/2019	Before January 2, 2019 or before first 2019 payroll is submitted, make necessary adjustment to employee's minimum wage.
1/8/2019	All information for independent contractors (name, address, ID number and amounts) for which Digit is preparing 1099's must be submitted.
1/11/2019	Submit ACA reporting data.
1/15/2019	Disability statements received from New Jersey, submit to payroll specialists.
1/31/2019	Distribute Form W-2's to all employees.
1/31/2019	Distribute Form 1099's to all independent contractors.
1/31/2019	Distribute Form 1095-C (ACA reporting) to employees.
2/15/2019	All employees claiming exemption from federal withholding <b>must</b> fill out a new Forms W-4. Any employee who would like to change their withholding should complete a new Form W-4.
2/15/2019	Make certain you have complete I-9 forms for every employee.

## YEAR END ADJUSTMENTS

We will be running the quarter end and year end payroll tax returns promptly on January 1<sup>st</sup>. Therefore, we must have all year-end adjustments done **no later than December 27th**. There are various payroll adjustments you may need to make at year end. Some of the more common items are listed below. Please speak with your tax advisor for these and other adjustments.

- **DISABILITY PAYMENTS**: If you have received notification during the year of any *disability benefits* paid to your employees during 2018, please contact us by December 14, 2018. This information affects the preparation of the payroll tax returns and forms W-2. Your year-end tax package will be delayed until we receive the NJ year end disability statement *from you*. NJ mails these statements to you by 1/15/2019.
- **FRINGE BENEFITS**: Any taxable cash or non-cash benefits provided to employees must be included on Form W-2.
- **GROUP TERM LIFE INSURANCE**: Please report the value of group-term life insurance in excess of \$50,000 before your last payroll of the year.
- **2% SHAREHOLDERS OF S-CORPS**: If you are a S-Corporation and you paid health and accident insurance premiums on behalf of 2% shareholder / employees, please report the premium amounts to us before the last payroll of the year.
- **BONUS PAYROLLS**: Bonus payrolls take additional time to process. Unless you notify us otherwise, we will use the federal and state withholding rate guidelines. Please advise specialist to hold normal deductions if applicable (medical, 401(k), etc.).
  - Do you want a live check or a direct deposit?
  - Are you running with your normal payroll run or a separate bonus run?
  - Do you want normal deductions withheld from the bonus check (insurance, 401(k), etc.)
  - How do you want to be taxed?
- **LATE SUBMISSIONS** -- If additional wage or benefit information is required to be added or changed after 12/27/2018 an additional fee of \$250 will be charged to re-open the quarter and re-run all tax returns and W-2's. There may also be penalties and interest charged by the government entities. Digit Payroll will not be responsible for these government charges.

## AFFORDABLE CARE ACT

As you might be aware, provisions of the Affordable Care Act are currently in effect that may affect you and your business.

**If you have fewer than 50 full time or full time equivalent employees as defined by the rules, you are not subject to the provisions of the Affordable Care Act and no further action by you is necessary this year.**

If you might have at least 50 full time/full time equivalent employees during the prescribed look-back period, you will need to further examine your employee counts to determine if you are subject to the law. Here is how we can help:

- **Cyberpay ACA App**. We have a payroll application available that integrates your payroll data with your benefits data. This is an ongoing management tool for those who would like to manage their ACA responsibilities themselves using live online payroll data. Ask us for details.
- **Digit Payroll ACA Reporting Service**. If you simply need to prepare the Forms 1094/1095-C for employees, the Digit Payroll ACA Reporting Service may be a good solution. Download the application, enter the benefits information for your employees, and we will generate the mandated 1094/1095-C.

Without utilizing these applications, Digit will be unable to assist in preparing the required forms and information. Our applications will enable you to effectively manage your requirements. Please contact us **no later than December 14th** if you are interested in either of our offerings.

## **EMPLOYER-PROVIDED HEALTH INSURANCE REPORTING REQUIREMENTS**

The Internal Revenue Service will require any employer issuing greater than 250 W-2's in 2017 (previous year), to report on their 2018 W-2 (current year) the annual cost of coverage for each employee under an employer sponsored group health plan. We will contact any affected employers directly regarding the requirements. For those of you with less than 250 issued W-2's in 2017, you are **not required** to report this information until further notice.

For more information on this subject, access the web page below:

<https://www.irs.gov/affordable-care-act/form-w-2-reporting-of-employer-sponsored-health-coverage>

## **MINIMUM WAGE INCREASES**

Many states are increasing their minimum wage effective 1/1/2019. Legislature is still underway for some states. Here are a few local states:

- ❖ New Jersey: \$8.85/hour
- ❖ New York: **Effective 12/31/2018**, generally \$11.10/hour, however there are different rates for fast food workers and workers in NYC, Westchester, LI. For details go to <https://labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm>
- ❖ Florida: \$8.46/hour.

Please make the necessary changes to your employee's pay rates.

## **DEPOSIT FREQUENCY NOTICE**

If you receive a notice from either the IRS or a state notifying you of your tax deposit frequency for 2019, please advise us as soon as possible. This is **EXTREMELY IMPORTANT INFORMATION**. Please send us a copy of this notice as soon as possible, especially if your status has changed from 2018. If you have payroll in a state outside of New Jersey and you receive a 2019 unemployment rate notice or tax frequency notice, please fax or email a copy to us as soon as possible.

## **PENSION INFORMATION**

On the Form W-2, the IRS requires that a box be checked if an employee is an active participant for any part of the year in a company-maintained retirement plan. Please let us know by December 14th of any employee who:

- 1) only had employer contributions made to their account,
- 2) was an active participant but did not have employee contributions withheld, or
- 3) participated in a collectively bargained plan.

Please contact your accountant if you are unsure of who would qualify under these circumstances.

## **DELIVERY DURING DECEMBER**

Mail deliveries can be slow during the month of December, and we cannot assure timely delivery as can be expected other times during the year. If you prefer, we can provide courier delivery of your payroll for an additional charge. If you would like to take advantage of this service, please let us know. If you would like to pick up your payroll, please call to make arrangements.

## **WWW.DIGITPAY.COM**

Our web site [www.digitpay.com](http://www.digitpay.com) has additional resources and should be bookmarked for secure sites relating to our services.

## **HOUSEKEEPING ITEMS**

- Please communicate payroll to us no later than 2:30 PM to ensure your payroll is processed and shipped that day. Any payrolls received by us after this time may not be processed until the following day.
- If you utilize our Direct Deposit Service, please submit your payroll at least TWO business days prior to pay date. This will ensure your direct deposit transactions are processed in a timely manner.
- If your electronic tax debit, direct deposit debit, or check payable to us is returned for insufficient funds, a charge of \$75.00 or 1% of the amount returned (whichever is greater) will be assessed to your account. If this occurs on multiple occasions (3), your account will be inactivated.
- If you do not process payroll in a given month, a minimum inactive charge of \$20.00 will be billed to you.
- If you are on our Electronic Tax Filing Service and receive any notices regarding payroll, please send them to us within 30 days. Failure to do so may result in an \$80/hr. rate to investigate the matter.

## SUITE OF ADDITIONAL SERVICES:

Below is a listing of some of our additional service offerings. Please contact us if you would like more information.

- **Time Clock Integration**
  - Web-based timekeeping solutions.
  - Fully integrated with payroll system.
  
- **Online Payroll, Web Reports, and Email Notification Service**
  - Online entry and submission of payroll.
  - Email notification of payroll run with cash requirements.
  - Web access to payroll reports/payroll stubs.
  - Employee portal for stub/W2 retrieval.
  
- **Digit HR Human Resource Services**
  - Human Resource Support Center powered by HRAnswerlink.
  - Full human resource services available to clients 24x7.
  - Access to forms, checklists, handbooks, laws.
  - Live HR support available.
  
- **Pay-As-You-Go Workers Compensation Program**
  - Pay workers comp insurance each payroll.
  - No payment of premiums up front.
  - No end of year audit needed.
  
- **401(K) Service**
  - Offer 401(k) plans to your employees.
  - Helps with employee retention.
  - Be competitive with hiring new employees.
  
- **Pre-Tax Benefit Plan Administration**
  - Save on taxes with pre-tax deductions for health insurance, FSA's, and other voluntary employee benefits.
  
- **Poster Service**
  - Stay in compliance with laws requiring the display of employment posters.

***We love referrals! If you know of any other business owners please let them know about us.***