



Adjustment Items for Holding Your Account Open

Items that classify as adjustments for holding open your account are:

2020 1099 Reporting – Report to us any 1099 employees who were paid in 2020

Group Term Life Insurance – You may be required to include in wages the cost of group term life insurance (GTL) you provide to an employee for more than \$50,000.00 of coverage or for coverage that discriminated in favor of the employee. This amount is subject to Social Security, Medicare and withholding taxes. GTL must be done with a regularly-scheduled payroll run in 2020 so you must be sure that each employee has enough earnings to cover the additional taxes that must be withheld from that check. Please refer to IRS Publication 15-B for detailed instructions, <http://www.irs.gov/pub/irs-pdf/p15b.pdf>. Additional processing fees will apply if an additional payroll for GTL is processed.

Taxable Fringe Benefits* – The value of some non-cash fringe benefits must be considered income to employees. These benefits must be reported on Form 941, as well as on W-2s. These “fringe benefits” must be done with a regularly-scheduled payroll run in 2020 so you must be sure that each employee has enough earnings to cover the additional taxes that must be withheld from that check. If you require more information, please refer to IRS Publication 15-B which can be found on-line at <http://www.irs.gov/pub/irs-pdf/p15b.pdf>. Additional processing fees will apply if an additional payroll for fringe benefits is processed.

2020 Year-End Bonus Runs** should be submitted no later than **12/28/2020** in writing to your account manager.

2020 Void/Manual Check** adjustments **CANNOT** be voided in a 2021 payroll run. Additional fees will be applied if checks that need to be voided are NOT voided with a regularly scheduled 2020 payroll no later than **12/28/2020**.

*Some of the payroll runs that we have been outlined in this letter have special tax implications. Please check with your accountant as to how they should be handled. (Note: When reporting taxable fringe benefits for your employees, you must run them with a regular scheduled payroll so that the appropriate taxes can be withheld. Be sure each employee has enough earnings for the taxes to be calculated and withheld from that check.)

**We must process adjustment/bonus runs in time to meet your tax filing deadlines and make your tax deposits timely. If we do not receive your information for processing 2 days prior to your check date, you will be responsible for any penalties and/or interest that may result.