



### **Important Year-End Information for 2023**

Year-end tax packets will be sent starting January 15, 2024, and should be completed by January 22, 2024. Your account will be billed with your last scheduled payroll of January a base amount of \$90.00 (\$149.00 base for Inactive clients) and \$9.00 per W-2, 1099 or ACA form for this service.

To be able to meet these and other agency deadlines, we will need to know as soon possible if we should hold your payroll account open for any special year-end adjustments. You must let us know by **December 11, 2023**.

#### **Here is a list of actions to take ASAP:**

- By 12/11/23** - [Click here](#) and complete this form, to tell us whether or not to hold open your account. If you choose to keep it open, you will have until 1/5/24 to make changes to the 2023 wages. Changes submitted after this date will require us to re-open your account and you will be subject to a \$250 fee.

**If you do not request to keep your account open**, your payroll records for the 2023 tax year will automatically close two days after your regular payroll for the year is processed. We will then begin processing your quarterly and annual returns (including W-2s). Changes submitted to 2023 wages after the last payroll of the year will require us to re-open your account and you will be subject to a \$250 fee.

[Click here](#) to see a list of items that classify as adjustments for holding open your account.

- By 12/26/23:** Submit, in writing, any 2023 Year End **Bonus runs** (wiring of funds may be required) or **void/manual** checks. Adjustments can't be voided in a 2024 payroll run. Additional fees will be applied if checks that need to be voided are NOT voided with a regularly scheduled 2024 payroll.
- By 12/26/23: Promote and encourage electronic forms.** Your employees need to make a selection for electronic documents prior to the last payroll of the year in order to have it set up for their annual tax documents.
- Missing Tax ID Numbers:** Help us help you by reviewing your account for missing tax identification numbers. Most tax agencies do not accept tax filings or payments without a registered account number. Run the **"Tax ID & Rate Verification Report" under "Client Reports."** If we do not have this information, you will be billed a \$100 fee per tax agency, and we cannot guarantee a successful tax filing or payment.

- Review the [GTM Processing Schedule](#) outlining the holiday processing times for November - January
- Review the payroll calendar schedule in isolved for 2024 and contact your Account Manager for any necessary changes
- Review [2023-2024 GTM Holidays](#) for future reference
- **Employee Verification** – Perform an audit of employee data related to SSN, Name and mailing address and make any updates by 12/26/23. The name must be exactly as it appears on the employee’s Social Security card.
  - An “Employee W-2 Verification” report is available under “Client Reports” and should be used to validate and confirm that no changes have been made to your employees’ personal information. **Reports > Client Reports > Employee W2 Verification > Run report.**
  - Any updates to name, Social Security Numbers, or addresses should be made immediately and no later than 12/26/23. Access your employee records and make corrections in isolved as follows: **Employee Management > Employee Maintenance > General.**

□ **Verify if any employees received Disability Payments (third-party sick pay)**

Deadline to report to GTM is **1/5/24**.

Call your Disability carrier to request this information as soon as possible and make sure to keep your account open with GTM so we do not process your tax returns until this has been received by us and processed.

Your insurance company will also send you a year-end report for any employees who were on disability in 2023; please forward to us immediately. The payments the employee(s) received must be reported on the employee’s W-2 and the employer portion of taxes paid. We will also need to verify that your payroll records match the figures from your insurance company.

Let us know if your third party files form W-2 to prevent duplication.

□ **Verify if any employees received NYS Paid Family Leave**

Pursuant to the Department of Tax Notice No. N-17-12, if you have an employee that received Paid Family Leave benefits in 2023, the benefits should be reported by the State Insurance Fund on Form 1099-G and by all other payers on Form 1099-MISC. Please contact your insurance carrier to confirm that they will be providing the 1099-MISC.

- Contact your Account Manager with any questions regarding year-end processing well in advance of 12/26/23 so there will be sufficient time to address and resolve any outstanding issues.
- Review [Thresholds, Updates, and other Changes for 2024](#)

- Review links to [additional resources](#)

- **Note the following:**

**2024 Record Retention Fee:** A \$63.10 Annual Record Retention Fee added to your last scheduled payroll of 2023. This service will archive all your payroll, employee & tax information from the time that you commenced processing payroll with us.

**W-2, 1099 & ACA reporting to the SSA & IRS:** Employers are required to remit all W-2s, 1099s and ACA reports to the SSA & IRS by January 31, 2024. Your account will be billed with your last scheduled payroll of January a base amount of \$90.00 (\$149.00 base for Inactive clients) and \$9.00 per W-2, 1099 or ACA form for this service. Any changes submitted after January 5, 2024 will require corrected year end forms and amended returns which are subject to additional fees.

#### **Attention Active Clients - 2023 FUTA Credit Reduction**

We are anticipating that employers with employees working in **CA, CT, IL & NY** will need to pay an additional 0.3% in Federal Unemployment Insurance this year on each employee (3.6% in the Virgin Islands). This “FUTA Credit Reduction” is to repay state unemployment insurance loans due to the Federal Government.

When states unemployment funds are depleted, as occurred in many states in recent years, states draw from a designated federal loan account. If such loans are not repaid within two years, employers lose part or all of their FUTA tax credit, in effect increasing the FUTA tax rate for wages paid in affected states. The FUTA tax rate is 0.6% of wages paid, up to \$7000, or \$42 per employee per year. With this 0.3% reduction employers will have an increase of \$21.00 per employee for the tax year 2023.

The states affected will be confirmed by the US DOL later in the year and our systems will be programmed and ready to retroactively calculate the additional FUTA tax due for your company and will debit the funds from your account on or after Friday, December 1, 2023. The tax will be calculated and collected with the next payroll processed after that date. The FUTA CREDIT adjustment will be outlined as a separate line item in the Payroll Summary Report.

**Please be on the lookout for additional communication from us around this once it’s been announced by the DOL.** The additional calculations will be provided, and we’ll ask that the funds be made available in your account so that the additional FUTA payment can be made timely for you. There will be a \$53.00 Administrative Charge on your last invoice in December 2023 for recalculating the FUTA liabilities.

For more information on the FUTA Credit Reduction, you can visit the U.S. Department of Labor [here](#) or the IRS [here](#).