



2023 Payroll Year-End Guide

This guide helps support our clients and partners through Payroll Year-End. This guide contains Checklists, Deadlines, Frequently Asked Questions, and more.

Clients can contact their dedicated Client Partner with any questions regarding Payroll Year-End.

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Important Year-End Deadlines

- * **Wednesday, December 27, 2023** – Last day to process additional 2023 payroll runs without late processing tax liability waiver letter (releases Ahola from liability for tax penalties incurred due to late filing of taxes related to processing after this deadline)
- * **Thursday, January 4, 2024** – Deadline for 2023 Adjustments to be submitted to Ahola for processing
- * **Tuesday, January 16, 2024** – Third-Party providers must have Year-End Sick Pay statements issued to employers
- * **Wednesday, January 31, 2024** – Forms W-2 must be postmarked, distributed, or available electronically to employees by this date
- * **Wednesday, January 31, 2024** – Forms W-2 must be filed electronically with SSA (Ahola will file several days prior to the deadline)
- * **Friday, February 9, 2024** – Employer Data for ACA must be reviewed and approved for Ahola to process and print Forms 1094 & 1095
- * **Wednesday, February 28, 2024** – Forms 1094-C & copies of Forms 1095-C need to be filed with the IRS (If Filing Paper)
- * **Friday, March 1, 2024** – Forms 1095-C (ACA) must be postmarked, distributed, or available electronically to employees by this date
- * **Monday, April 1, 2024** – Forms 1094-C & copies of Forms 1095-C need to be filed with the IRS (Electronic Filing is required for employers with more than 250 Forms 1095-C)

2023-2024 Upcoming Holidays

2023

Thursday, November 23, 2023 - Thanksgiving Day

Friday, November 24, 2023 - Ahola Holiday (Office Closed)

Monday, December 25, 2023 - Christmas Day

2024

Monday, January 1, 2024 - New Year's Day

Monday, January 15, 2024 - Birthday of Martin Luther King Jr.

Monday, February 19, 2024 - President's Day

Monday, May 27, 2024 - Memorial Day

Wednesday, June 19, 2024 - Juneteenth National Independence Day

Thursday, July 4, 2024 - Independence Day

Monday, September 2, 2024 - Labor Day

Monday, October 14, 2024 - Columbus Day

Monday, November 11, 2024 - Veterans Day

Thursday, November 28, 2024 - Thanksgiving Day

Friday, November 29, 2024 - Ahola Holiday (Office Closed)

Wednesday, December 25, 2024 - Christmas Day

2023 Year-End Checklist

- ✓ Review processing deadlines and identify your last check date(s) of 2023.
- ✓ Review Holiday schedule and Federal Holidays for 2023 and 2024. Check for conflicts with payroll processing or check date.
- ✓ **Notify your Client Partner by December 1, 2023, if any year-end payroll adjustments will be needed. These may include items such as group-term life, personal use of company car, third-party sick pay, etc.**
- ✓ Perform an audit of employee data related to SSN, name, and mailing address, as well as where employees are being taxed. Contact your Client Partner by December 1, 2023, to request any changes or adjustments.
- ✓ Call your Client Partner with any questions regarding year-end processing prior to December 1, 2023, to ensure sufficient time to address and resolve any outstanding issues.
- ✓ Identify and process any additional end-of-the-year payroll items by December 15, 2023. Such items may include additional bonus amounts, as well as taxable fringe benefits.
- ✓ If you have any additional manual checks and/or void checks that need to be recorded in 2023, contact your Client Partner no later than December 15, 2023. If you need to enter additional manual checks and/or voids after this date or after processing your last payroll for the year, please contact your Client Partner to ensure these items are processed timely and year-end reports are regenerated (if needed).
- ✓ Third-party sick pay information should be submitted to Ahola for processing by January 4, 2024. Please contact your insurance company prior to this deadline to request your annual summary and statement and forward it to Ahola.
- ✓ Remember that any corrections, adjustments, or additional W-2 amounts submitted to Ahola after January 4, 2024, will not be processed until after the electronic filing of W-2s has been completed or February 1, 2024, whichever comes first. Any adjustments submitted after this date may incur late tax filing penalties and will require amended forms W-2C. These corrections will incur additional processing charges.

2024 Wage/Deferral Limits

FICA

Social Security:

\$168,600 Wage Limit

Employee withholding rate is 6.20%

Medicare:

No wage limits.

Employee withholding rates: 1.45% (wages up to \$200,000) and 2.35% (wages over \$200,000)

Employer tax rate on all wages: 1.45%

UNEMPLOYMENT TAXES

FUTA: Taxed on the first \$7,000 of wages per employee.

SUTA: The American Payroll Association has provided a chart of State Unemployment Insurance Taxable Wage Bases for 2024, 2023, 2022, and 2021. <https://pages.americanpayroll.org/taxable-wage-base>

DEFERRALS

401(k), 403(b), and 457 plans: Deferral limit \$23,000 + \$7,500 catch-up**

SIMPLE 401(k) and IRA plans: Deferral limit \$16,000 + \$3,500 catch-up**

HSA Contribution Limits: Self-Only \$4,150 + \$1,000 catch-up^

Family \$8,300 + \$1,000 catch-up^

(Employee + Employer)

Important Notes:

**If you have employees over the age of 50 who do NOT wish to contribute the catch-up amount, you must notify your Client Partner. If you do not notify Ahola, employees over 50 whose contributions exceed the standard annual limits will automatically continue deferrals to the higher catch-up contribution limit.

^Employees 55 or older are eligible for HSA catch-up contributions. Contact your Client Partner to make any necessary changes.

2024 Wage/Deferral Limits

continued

2024 MINIMUM WAGE

The 2024 Federal Minimum Wage is \$7.25 per hour

Ohio, as well as several other states, will have Minimum Wage increases that go into effect on 1/1/2024

- In Ohio, employers with annual gross receipts of \$385,000 or less per year after January 1, 2024 (\$371,000 in 2023) must pay no less than the Federal Minimum Wage to their non-tipped employees
- Also in Ohio, employees under the age of 16 must be paid no less than the Federal Minimum Wage rate

Like Ohio, many other states have different rules governing the payment of minimum wage, with number of employees, gross receipts, or other factors affecting the minimum rate that must be paid to employees. It is always best to confirm the rules that govern minimum wage in any state you may have workers, by checking the Department of Labor website for the most current wage information.

For State Minimum Wage changes, as well as rules governing minimum wage, visit the Department of Labor website:

<https://www.dol.gov/agencies/whd/minimum-wage/state>

*****Ahola will not automatically change your employees' pay rates. Please contact your Client Partner to make any necessary changes.*****

MILEAGE RATE

The mileage rate for business use in 2023 is 65.5.

The mileage rate for the use of a car for 2024 has not yet been released. Mileage rates are typically released in December for the upcoming year.

Frequently Asked Questions

Year-End Preparations

Q: What can I do to ensure our W-2s and Year-End tax documents are correct?

A: As an Ahola Client, you have access to a variety of reports to assist you in preparation for Year-End. We highly encourage you to review these reports and verify the accuracy of the information prior to Year-End reports and W-2s being created. These reports can be found under Client Reports. Use the Report Category filter to select Quarterly/Year-End Reports. The reports we suggest you review are below. Please contact your Client Partner for additional assistance.

- *Employee W2 Preview
- *Employee W2 Verification
- W2 Reconciliation Summary
- YTD Register with Employer Taxes
- Tax Liability Summary by Quarter
- Tax Liability Summary
- Tax ID and Rate Verification
- SSN Verification Report
- Year End Exceptions

*These reports can also be found in your Payroll Reports Archive.

Q: What else can I do to prepare for a successful year-end?

A: Encourage employees to activate and utilize Employee Self-Service (ESS) accounts to review their information and receive their pay stubs and W2 forms. Employees who use ESS and consent to electronic delivery of year-end forms will have access to their forms sooner than printed copies, and they will have the ability to upload forms directly to Turbo Tax if they choose to do so.

Frequently Asked Questions

Fringe Benefits, Bonuses, Third-Party Sick Pay, HSA

Q: When do I need to send Fringe Benefits, Year-End information or Bonus amounts to Ahola?

A: Fringe Benefits, Year-End information, and/or Bonuses should be submitted with, or prior to your last payroll of 2023.

Q: How should I submit my Fringe Benefits to Ahola for processing?

A: All Fringe Benefits should be submitted to Ahola in writing. This can be in the form of an email or fax. Please contact your Client Partner with any questions regarding Fringe Benefits or additional payroll runs. Be sure to include your company name and Ahola client identification number in all communications.

Q: I normally process my own payroll. Can Ahola still help me with the entry of Fringe Benefits?

A: We are happy to assist with Fringe Benefits. Whether it is a question about how to enter additional wages, setting up a new wage type, or submitting information to Ahola for entry, your Client Partner is here to support you and ensure that your additional information is reported correctly.

Q: I have a large Bonus run - is there anything special that needs to be done?

A: If you will be submitting a large payroll Bonus run, or combination of runs, where the gross wages are in excess of \$300,000, contact your Client Partner prior to submitting or processing the payroll. Tax payments associated with these large runs often have accelerated due dates and may require additional action, including the wiring of funds. In addition, payroll runs with impound amounts that are significantly higher than normal may require additional review and potentially additional action on the client's part, including but not limited to, pre-funding payroll with a wire transfer. Please be sure to speak with your Client Partner before processing any larger-than-normal runs.

Q: Can I process Bonus checks separately from my regular payroll run?

A: Yes, contact your Client Partner to request an additional "Special" run schedule.

Q: What is the last date I can process adjustments for 2023 to avoid possible tax penalties?

A: December 27, 2023. Any adjustment runs processed after this date may incur penalties for late payment of tax funds and will require written acknowledgment that the client is responsible for any interest and/or penalties that may be incurred by the late filing of tax funds.

Frequently Asked Questions

Fringe Benefits, Bonuses, Third-Party Sick Pay, HSA

Continued

Q: What is the last date I can process an adjustment without amended returns?

A: Clients must submit all corrections and wage adjustments by January 4, 2024. Adjustments received after this date will be processed after W-2s have been filed electronically. These late adjustments will require amended tax returns and will incur additional fees. Clients that need to process Third-Party information for Sick Pay payments made to employees may need to contact their insurance company in December to request early issuance of summary statements to comply with this deadline.

Q: When is the last date to submit Third-Party Sick Pay information to Ahola?

A: January 4, 2024. If you have not already done so, please contact your Third-Party Benefits broker to request that your summary statement be sent to you as soon as possible. If you have employees who have received Third-Party Sick Pay this year, but you have not yet reported these amounts, please notify your Client Partner as soon as possible in order to enter these amounts, ideally prior to your last payroll processing in 2023.

Q: We offer Health Savings Accounts (HSA) that the company contributes to. These accounts are not run through payroll. Does Ahola need to know about this?

A: Yes. All contributions to Health Savings Accounts (HSA) including those made by the employer need to be shown on Form W-2. If your employee, or employer matching contributions are not run through the payroll, please contact your Client Partner before December 27, 2023. Ahola will ensure this information is shown in the appropriate W-2 box.

Note: Health Savings Accounts (HSA) have government-mandated contribution limits based on plan type, as well as the employee's age. Employers should audit employee contributions to ensure that employees have not contributed amounts over the allowable limits based on plan type and catch-up amounts, if applicable. If you require an audit report to verify your employee contributions, please contact your Client Partner to request a Deduction Register Summary for HSA contributions (made through payroll.)

Frequently Asked Questions

W-2s and 1099s

***IRS requires employers to provide each employee with a timely copy of their Year-End Forms.** These can be printed or electronic, with employee consent. Ahola is able to accommodate both printed and electronic delivery of Year-End Forms. As we continue to improve our processes and offer new and efficient ways for you and your employees to access your information, Ahola continues to progress toward paperless Year-End reporting and increased usage of Employee Self-Service. For more information about the capabilities, as well as ease and efficiency, of ESS, electronic forms, or digital report retrieval, contact your Client Partner.

Q: Will you be printing and delivering my W-2s and 1099s?

A: Not necessarily. Clients can elect electronic delivery, where all year-end forms will be available to employees via Employee Self-Service (ESS). Employees that consent to receive their forms electronically will not receive a physical printed form. If all employees consent to electronic delivery, there will be no physical forms printed. Some employer reports will be available only electronically.

Q: What if some of my employees do not consent to electronic delivery?

A: You can print and distribute paper forms for any non-consenting employees at your location, or Ahola will print and deliver them to you, though additional fees may apply for delivery and printed packages. IRS requires that employers provide printed copies of employee Year-End Forms for employees who do not consent to electronic delivery.

Q: How are terminated employees handled with regard to consent to electronic delivery?

A: Employees that have consented to electronic delivery of year-end forms, but are terminated in the payroll system with or before the last payroll processing of the year will have their consent automatically revoked when they terminate. Terminated employees may re-consent to electronic delivery, but would have to access their self-service account to consent after the termination has been processed through the payroll system. In most cases, the automatic revocation of consent will produce print copies of W-2 forms for terminated employees. While they will be able to access year-end forms through ESS, employers are still obligated to furnish a print copy to these former employees.

Q: I would like to offer electronic delivery of Year-End forms to my employees. How do I get started?

A: Contact your Client Partner. They will be happy to assist you in getting set up with electronic Year-End forms.

Frequently Asked Questions

W-2s and 1099s

Continued

Q: How can I tell which employees have consented to electronic copies of their year-end forms?

A: There are a few different ways to tell which employees have elected electronic forms:

1. The Electronic Elections screen will allow you to see an overview of employees and their Year-End forms delivery status, including consent dates and employment status (**Employee Admin Tools >> Employee Analytics >> Electronic Elections**)
2. On an individual employee basis, Electronic Consent documents for Electronic Signature, as well as Electronic Tax Forms Delivery (both consent and declination) are available to view in Employee Documents (**Employee Management >> Human Resources >> Employee Documents**)
3. The report called **Year End W2/1099 Employee List** is available in your Payroll Report Archive, usually beginning with payrolls processed in November. This report lists employees' consent or declination date, and their employment status and indicates printed or electronic form W-2. This report is also available to be generated as needed from the Client Reports catalog.

Q: When will W-2s be delivered or available electronically?

A: We expect electronic copies will be available well before printed copies. Employees consenting to receive their forms electronically will receive an email notification when the forms are available. Paper copy forms are anticipated to be printed and delivered on or about January 22, 2024.

Q: I will be printing my own W-2 forms for employees not consenting to electronic copies. When will I have access to print these forms?

A: This date will vary based on each client's year-end status, but we expect clients to be able to print between January 8 and January 19, 2024.

Q: Where can I find more information or instructions on how to print Year-End reports?

A: Ahola has a multitude of informational documents that can assist you. Help documents can be found throughout the isolved system by clicking the pink 'Help' icon in the upper right corner of the screen. Your Client Partner is also an excellent resource for assistance and/or documentation to help you.

Frequently Asked Questions

W-2s and 1099s

Continued

Q: If employees who elect electronic delivery are not included in the 'print' report for W-2s, where can I see all of the W-2s that were issued to my employees?

A: The employer copy report will contain copies of all employees' W-2 forms, including those that elect electronic forms. Forms for employees that received them electronically will appear with a watermark 'ESS Copy Only'. The Employer copy report can be viewed in the Year-End Report Archive.

Q: If Ahola prints Year-End forms, where will they be delivered?

A: W-2s will be delivered to the Year-End address indicated for your account. Contact your Client Partner to confirm or change the delivery address.

Q: Where do I find employer information returns such as the Employer Copy of Form W-2 and Form W-3?

A: Employer copies of W-2s, as well as other Year-End reports such as the W-3 summary, will be available to view or print from the Year-End Report Archive.

Q: Where can I find other employer information returns such as Federal 941, Unemployment, or other Reconciliation forms or statements?

A: Many other informational tax forms can be found in your **Return Archive (Reporting >> Return Archive)**. Be sure to select the correct year and quarter you desire from the filter dropdowns, then click the 'filter' button for results.

Q: In what order will W-2s and/or 1099s be printed?

A: The print order for these reports is alphabetical by Employee's Last Name. If you prefer your printed W-2s and/or 1099s sorted by department or employee number, please contact your Client Partner prior to your last payroll processing of the year to change your sort order.

Q: When do W-2s have to be delivered to my employees?

A: W-2s must be available electronically or in paper copies postmarked by January 31, 2024.

Frequently Asked Questions

W-2s and 1099s

Continued

Q: What can I do to avoid reprocessing W-2s?

A: Review employee addresses and other personal information for all employees. Audit employee work locations and residence tax withholdings for accuracy. Contact your Client Partner for assistance in updating any missing or incorrect information prior to your last payroll processing of the year.

Q: What happens if I need a corrected and reprocessed W-2?

A: Please notify your Client Partner as soon as possible of any necessary corrections. Additional fees may apply for reprocessing due to incorrect employee information (Social Security number, name, address). Amendment charges may apply, dependent on timing if reporting has already been filed with IRS or other taxing agencies. Additional shipping fees may also apply.

Q: How can I avoid reprint charges for lost or misplaced W-2s?

A: Employers and employees can access and reprint forms online at any time for free using Employee Self-Service. Lost or damaged W-2s can be reprinted by Ahola for \$25.00 each + shipping.

Q: Are terminated employees able to view W-2s through Employee Self-Service?

A: Yes, if you have allowed terminated employee access. If you would like to confirm or change your access settings for terminated employees, please contact your Client Partner. Keep in mind that terminated employees' consent for electronic delivery is automatically revoked when they are terminated in isolated and will no longer apply unless they have consented again after termination. Employers are still responsible for furnishing a printed copy to any employees that have not consented to receive forms electronically. While forms may be available to view online, they must still receive a print copy if they have not specifically consented to online only.

Q: What is the best way to manage terminated or inactive employee records?

A: The end of the year is a great time to clean up your database and remove any inactive or terminated employees that are still listed as "active" on your account. Terminating or inactivating employees will save you time when entering payroll or completing time entry sheets. Terminated and Inactive employee data remains in our system, and employees can easily be reactivated if they should return to work.

Frequently Asked Questions

W-2s and 1099s

Continued

Q: We plan to file our own W-2s this year. Our company does not want Ahola to file them electronically – what do we need to do?

A: Please send your request via email to yearend@ahola.com. Requests must be received by December 15, 2023.

Q: Does Ahola file reconciliations and W-2 copies for all Ohio residential city tax withholding?

A: Ahola files for all Ohio cities that require residential filing. Currently, RITA and CCA cities as well as Amherst, Parma, Columbus, and Jefferson require residential filings. Ahola does not automatically file reconciliations for any other independent cities. However, should a client receive a request or notice to file a residential reconciliation, Ahola will provide this at the client's request.

Q: How will Ohio resident tax wages display on the W-2 for 2023?

A: The taxable wage amounts for Ohio resident city withholding will not display on Form W-2. Box 18 will not display wages for the resident city, only taxable wages for work location cities will be displayed here. Box 19 will display the amount of tax withheld for the resident tax city, as well as tax amounts withheld for any work locations.

Q: Are you generating 1099-NEC forms for our company?

A: If 1099 payments have been run through payroll all year, 1099 forms will be generated. We anticipate sending printed 1099s on or about January 22, 2024.

Q: When do I need to have 1099s delivered or electronically available to subcontractors?

A: 1099s must be available electronically or postmarked by January 31, 2024.

Q: Who should I contact with additional questions about Year-End?

A: Your dedicated Client Partner can assist you with any questions about year-end and is happy to assist you to ensure your year-end reporting is accurate.

Frequently Asked Questions

Healthcare Reform Act Reporting Requirements

Q: Do I have to report the value of each employee's employer-provided health coverage on 2023 W-2s?

A: Employers issuing 250 or more W-2 forms are required to report the cost of coverage under an employer-sponsored group health plan. Reporting for smaller employers remains voluntary.

If you are required to report or wish to voluntarily report the cost of your employer-paid health insurance, please contact your Client Partner for setup assistance. If you are currently using Benefits with Ahola, this is part of our Benefits service offering, so please contact us with questions regarding amounts to be reported in Box 12DD.

Affordable Care Act

Q: Do I need to report for ACA?

A: You are likely subject to ACA reporting requirements if you have 50 Full-Time Equivalent (FTE) employees, are considered an ALE (Applicable Large Employer), are considered an Affiliated Large Employer, are a member of a Controlled Group, or your company is Self-Insured.

Q: How can I determine how many FTE (Full-Time Equivalent) employees I have?

A: Clients can navigate to the Client Reports menu and run the ACA Large Employer Compliance Test report to determine FTE count and ALE status. Please note, to determine 2023 reporting status, ACA uses an annual look-back period of the year 2022.

Q: Can Ahola assist me with the required forms like the 1094 and 1095 B/C?

A: If you are using Ahola's Benefits platform, our ACA Reporting and Filing Service is available to assist you in generating and filing the necessary forms required for employers, including Forms 1094 and 1095 B/C, as applicable. ACA reporting and electronic filing is a separate service offerings and will incur additional fees.

Q: Where can I get more information on ACA?

A: Contact us at aca@ahola.com for more information about our ACA services.

Frequently Asked Questions

Retirement Plans

Q: Several of my employees who participate in the company's retirement plan are over 50 and would like to contribute the catch-up amount - will their contributions continue up to the full catch-up limit automatically?

A: Yes, as long as employees have accurate date-of-birth information listed in our system, eligible employee deferrals will continue to the higher catch-up limit unless requested otherwise.

Q: My company is issuing Bonus checks this year. Can my employees request no retirement plan withholdings from these checks?

A: Please consult your plan document or contact your third-party administrator to verify permitted wage exclusions. Some plans require deferrals to be calculated on all paid wages, and exclusion of certain wage types may cause compliance issues.

Unemployment Rate Determinations

Q: I received my unemployment rate determination sheet - do you need it?

A: Yes. Please indicate the rate you would like us to use and email it to the Ahola Tax Department at taxes@ahola.com by December 15, 2023.

Note: Voluntary payment may or may not reduce your rate! If you choose to make the voluntary payment, please make a note of that on the rate determination and indicate the rate we are to use before emailing.

Additional Medicare

Q: How will additional Medicare tax rates affect my payroll?

A: Medicare for employees is calculated at the rate of 1.45% on the first \$200,000 of earnings.

Employees earning in excess of \$200,000 in a year will have Medicare calculated at 2.35% of all wages over \$200,000. The employer rate is unaffected by these regulations. Employer Social Security rate remains unchanged at 6.2% (up to the current year wage limit); Medicare is 1.45% of all wages.