



## End of Year Checklist

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### Verify Employee Data

- Names and SSNs – Review and verify all employee names and Social Security numbers. The IRS may impose a penalty for each Form W-2 with a missing or incorrect Social Security Number or name. If you need a complete listing of all employee names and SSNs, please contact your Payroll Specialist or Support.
- Addresses – Review and verify employee addresses. The deadline for updating employee addresses is December 30, 2016. Any changes made after the deadline may not be reflected on the printed W2s.
- If you have any employees to which the “retirement plan” indicator in Box 13 of Form W-2 applies, please contact your Payroll Specialist or Support. Employees that participate in your company’s retirement plan through payroll will automatically be checked.
- Ensure that any deceased employees are properly coded. Please contact your Payroll Specialist or Support if you have any deceased employees receiving a Form W-2.

### Verify Wage, Tax, and Benefits Data

Any adjustment received after December 23, 2016 will not be addressed until after January 9, 2017. Those adjustments will then be processed on Form W-2c and may accrue extra processing fees as well as penalty and interest on late tax deposits.

- Confirm that your company’s retirement plan type is correct (e.g. 401(k), Simple IRA, etc.)
- Review and submit any non-paid taxable fringe benefits by December 23, 2016. If you are unsure as to whether non-paid fringe benefits are applicable, please **consult your accounting department or accountant** or review [IRS Publication 15-B Employer’s Guide to Fringe Benefits](#) for further information and instructions. If these taxable fringe benefits are not included with a regular payroll, the employer is required to pay the employee FICA tax in addition to the normal employer FICA tax. Non-paid taxable fringe benefits include but are not limited to:
  - Group Term Life Insurance - Employer provided Group Term Life with a benefit greater than \$50,000 is taxable to the employee.
  - Personal use of company auto
  - Sub-S Owner’s health insurance
  - Non-qualified moving expenses
  - Company-provided transportation or parking
  - Employer-paid education not related to the employee’s job
  - Non-accountable business expense reimbursements or allowances
  - Non-cash payments

- Review and submit any items that are not taxable but reported on Form W-2. Please review [IRS Publication 15-B Employer's Guide to Fringe Benefits](#) for further information and instructions. Non-taxable items to report on Form W-2 include but are not limited to:
  - Qualified moving expenses
  - Dependent Care Benefits
  - Employer-paid Health Savings Account contributions
- Review and submit any other items missing from payroll:
  - Bonuses
  - Manual checks
  - Voided / reversed payments
- Cost of Health Care Coverage – If your company filed more than 250 Form W-2s for 2015 and you provide health care coverage to your employees, you are required to include the total cost of health care for each employee in Box 12DD on Form W-2. Please contact your Payroll Specialist or Support if you believe you need to report this.
- Third party sick pay – Third party sick pay is payments made directly to your employee by a third party due to coverage under a long-term disability plan or a short-term disability plan (e.g. AFLAC). If you need to include third party sick pay on the Form W-2 for any employee, please contact your Payroll Specialist or Support.

### **Form 1099M**

Southwestern will automatically process Form 1099M and Form 1099R for any contractor paid through the payroll system unless you specify that you do not want us to do so. If you have contractors NOT paid through the payroll system and you would like for us to process Forms 1099 for you, please email [taxdata@swpay.com](mailto:taxdata@swpay.com) by January 13, 2017.

### **Forms 1095-B Health Coverage and 1095-C Employer-Provided Health Insurance Offer and Coverage**

#### **Preparing for 2017**

- Forward any notices regarding 2017 unemployment insurance tax rate for any state (SUI / SUTA rates).
- [Download](#) the 2017 Form W-4 and remind employees to complete a new form if needed. All federal Forms W-4 marked as exempt expire as of December 31<sup>st</sup>. If an employee wishes to remain exempt, he or she must complete a new form.

