

2023 Year-End Checklist & Important Information

Please review all of the information provided in this notice carefully, as it pertains to important year-end payroll procedures. Failing to acknowledge the deadlines and other items that require your attention will result in penalties later on. If you have any questions or concerns regarding this information, please consult your payroll specialist. Our goal is to make our transition into 2024 as smooth as possible!

Year-End Payroll Submission & Payroll Delivery Deadlines

- PayPros, Inc. will be closing Friday, Dec. 22d at 3:00pm, as well as all day Monday, Dec. 25th in observance of Christmas. We will reopen on Tuesday, Dec. 26th at 9:00am.
- PayPros, Inc. will be closed all day Monday, Jan. 1st in observance of New Years Day. We will reopen on Tuesday, Jan. 2nd at 9:00am.
- For the week of Christmas, Wednesday, Dec. 20th will be the last day for normal Delivery Service pickup for FedEx 2-Day, UPS Ground, and next-day delivery. For the week of New Years, Wednesday, Dec. 27th will be the last day for normal Delivery Service pickup for FedEx 2-Day, UPS Ground, and next-day delivery.
- Please note that due to the nature of the holidays, there may be possible shipment delays, as well as increased shipping rates. Please plan your payroll accordingly in the event of these delays.



Checklist of Important Information to Report Through Payroll

Please be sure to communicate the following information to your payroll specialist for final year-end reporting, if you haven't already:

- ALL payroll checks issued in-house during 2023
- Any voided checks
- Employee pension information
- Group Term Life adjustments
- Bonuses
- Other compensation adjustments paid to employees that need to be included on W-2s
- Taxable fringe benefits
- 2% Shareholder Health Insurance
- Third party sick pay benefits
- Identification numbers for every tax agency

Double check the following items on the Check Register, prior Quarter End Reports, as well as the individual employees:

- Are employees' names and addresses correct?
- Do all employees have valid social security numbers? (i.e., do not start with '9')
- Do all 1099 payees have valid social security numbers or taxpayer ID numbers?
- Are your correct identification numbers printed on every return?

The IRS and States have started issuing penalties for any changes after the fact for incorrect reporting or information. If you do not contact us by 12/27/23 with corrections, we assume that you agree with all final data.

Please see the next page for more important year-end information.



Bonus Payroll Cutoff Date — Tuesday, December 26th, 2023 at 2:00pm

- Please submit bonus payrolls in writing and allow 48 hours for processing.
- Bonus checks can be processed with your regular payroll. However, if you want to use a different check date or period end date, the bonus checks must run as a separate payroll.
- In your submission, include pay period and check dates to be used.
- Note any tax withholdings that need to be calculated based on percentage, additional dollar amount, or flat amount.
- Specify if voluntary or involuntary deductions should be withheld (i.e., advances, child supports, etc.)
- Inform us if you would like us to override direct deposit so employees receive "live" checks.

Year-End Cutoff Date — Tuesday, December 26th, 2023 at 2:00pm EST

- The year-end cutoff date for clients to report changes for 2023 is Tuesday, or the day before your company runs a payroll with a January 2024 check date — whichever is earlier.
- If payroll adjustments are necessary after the year-end cutoff date, we can make amendments and reprocess the tax returns. However, there will be an additional charge of \$150.00 per agency and a processing delay. If you anticipate the need for payroll adjustments, let us know in advance so that we can delay processing the returns.

Additional Important Information

- **W-2s:** We will send your W-2s separately from your payroll in most cases to expedite delivery. We will pass that charge on to you.
- **Year-End USB Flash Drives:** In years past, we've issued our clients a CD containing all reports (including quarterly reports) processed for the closing year. However, starting in 2020, we transitioned to the use of USB flash drives. The flash drive will have the PayPros, Inc. name and logo visibly engraved in the steel. Please note that if you do not want this flash drive, let us know prior to Dec. 28th, 2023, as we will produce the flash drives in January for shipment shortly thereafter. You will be charged \$135.00 plus the cost of FedEx 2-Day delivery in January if we do not hear from you by Dec. 28th.
- **ACA Requirements:** All companies with over 250 employees are required to report the total medical premiums paid to a company medical insurance plan by Dec. 28th, 2023. We are not doing this for companies with fewer than 250 employees. If you would like to request more information regarding this processing, we can inform you whether or not your company falls under the ACA requirements.
- **Rate Changes:** Effective January 1st, 2024, UPS and FedEx will increase their pricing by approximately 5% across the board for delivery.
- **Federal Tax Frequency:** You are required to inform PayPros of your new filing frequency for federal deposits for 2024. Please do so prior to the end of 2023, otherwise, penalties could be assessed by the IRS.



All the information provided in this notice is final and is not subject to change at this time. Thank you for your attention to the details contained herein. With this being said, we'd like to sincerely thank you for your business—and on behalf of the entire PayPros team, we wish you a Merry Christmas and a Happy New Year. Be well!