

# YEAR END PAYROLL PLANNER



NOVEMBER 2020

## HOW TO CONTACT US

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### Washington, DC

9211 Corporate Blvd, Suite 100  
Rockville, MD 20850  
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Fax 301-610-9411

### Office Hours

9:00 am to 5:30 pm  
8:00 am to 5:00 pm CHI

### Website

[www.corpay.com](http://www.corpay.com)

### Customer Center

Provides access to:

- **Forms** (New Employee Form, Manual Check Form, Etc.)
- **Payroll Calendar**
- **Previous Newsletters**
- **Federal and State Tax Forms**

Go to the Customer Center tab on our website, [www.corpay.com](http://www.corpay.com).

The password is

CPS123 (case sensitive)

## Holiday Notice

Banks and Corporate Payroll Services will be closed on **Friday, December 25, 2020 and Friday, January 1, 2021** for the Christmas and New Year's holidays. On **Thursday, December 24, 2020, we will close at 2PM EST/1PM CST.**

Banks will also be closed **Monday, January 18, 2021** for Martin Luther King, Jr. Day; however, we will be open that day.

Direct Deposit customers, it is especially important for your payrolls to be submitted one day earlier than normal before holidays so funds are not delayed going into your employees' accounts.

Delivery companies often run behind at this time of year. If you usually receive your payroll by a certain time, it may arrive later in the day than usual due to heavier delivery volumes.

**NO payrolls** will be processed or delivered on days when we are closed, so be sure to submit your payroll at least one business day earlier than normal.

## Year End Processing

We will begin processing 941s, 940s, state unemployment returns, ACA Forms, W-2s and 1099s on **Wednesday, December 30, 2020.** We expect this to be a very busy time for us; however, we are dedicated to providing each of our clients the best service possible.

**We will email quarterly returns, unless you have made arrangements with your Payroll Specialist for them to be printed.**

Avoid the last-minute rush and save yourself additional charges for late year-end adjustments and/or reprinting tax returns by submitting information prior to the year-end deadline.



**Be aware that we must have any manual checks, corrected employee information, ACA information, and special W-2 and 1099 information submitted prior to 2PM on Wednesday, December 30, 2020.**



# New Federal W-4 Form for 2020

**Beginning on January 1, 2020**, all new employees hired in the new year were required by the IRS to complete the redesigned Employee's Withholding Certificate, also known as Form W-4. Current employees hired before 2020 were not required to complete the new Form W-4. Therefore, withholding continued based on the 2019 form.

However, any current employee hired before 2020 who wishes to adjust their withholding amount must complete the new form W-4.

The new W-4 design is intended to achieve greater accuracy of withholding. The new form eliminates the use of allowances, while adding a new five-step process covering personal information, multiple jobs, dependents, other adjustments (income, deductions and/or extra withholding) and employee's signature.

The IRS has released a revised Tax Withholding Estimator to assist taxpayers with the process of estimating their federal income tax withholdings. The IRS encourages you and your employees to use this tool to more accurately withhold federal income tax:

<https://www.irs.gov/individuals/tax-withholding-estimator>

## Who should fill out the new Form W-4?

- Newly hired employee(s) who started on or after January 1, 2020.
- Current employees, hired in 2019 or earlier, who want to adjust their tax withholding and/or want to account for a life change (marriage or new baby).
- Current employees, hired in 2019 or earlier, who claimed exemption from federal income taxes in 2019 and want to withhold federal income tax from their paychecks.



## State Information

If we make your tax deposits, please forward the following to our Tax Department (Fax: 770-864-6024) promptly upon receipt or email these items to **TAX@corpay.com**. Write your Customer ID on the form before forwarding these items to us.

- Your company's year **2021 State Department of Labor (SUI) rate notice** for each state in which your company has employees. Failure to notify us of any changes in your employment rates may result in penalties and interest being assessed to your account by each state.
- Your year **2021 State Withholding Filer Status** notices for all states in which you have employees.

If you have not registered in a state as of December 1, 2020, please contact that state or our Tax Department to obtain the phone number or website for the state with which you need to register. You may also go to Tax Forms in the Customer Center tab on our website at [www.corpay.com/forms](http://www.corpay.com/forms) to obtain this information. The password is **CPS123 (case sensitive)**.

## Tax ID Needed

If you see the "Potential Penalty" section at the top of your Invoice/Automatic Debit Notification, it means that we are missing tax ID numbers for your account. Many tax agencies will not accept payment without a tax ID number. States where you must have a tax ID number to make a payment include:

- |                        |              |
|------------------------|--------------|
| • Alabama              | • Maine      |
| • California           | • Minnesota  |
| • Delaware             | • Michigan   |
| • District of Columbia | • Nevada     |
| • Florida              | • New Mexico |
| • Iowa                 | • New York   |
| • Louisiana            | • Ohio       |

They may issue tax notices with penalties and interest due on your account. If you have been assigned a tax ID number that we do not have on file, please forward the information to your Payroll Specialist so we can update our records.

If you need to apply for a tax ID you can get applications from the Customer Center at [www.corpay.com](http://www.corpay.com) using the password CPS123 (case sensitive). You can also contact our Tax Department or the state to obtain the phone number or website to register. If you have any questions about the tax information we have on file, please contact your Payroll Specialist or our Tax Department at (770) 446-7289.

## Special W-2 Information

Any of the following types of information may require special handling on your W-2s at the end of the year:

- Personal use of company vehicles
- Fringe benefits
- Cost of Group Term Life Insurance (GTLI)
- Third party sick pay
- Company paid annuities
- Retirement plans such as Roth 401Ks, IRAs, SARSEPs, etc. (Note: If you only have a regular 401K plan, then we already have the information we need to print your W-2s.)

Call your Payroll Specialist as soon as possible to get the appropriate form to fill out so that we can correctly print your W-2s. You may also download this form from the Customer Center tab on our website at [www.corpay.com](http://www.corpay.com). The password is CPS123 (case sensitive). Remember that we must have this information **no later than 2PM on Wednesday, December 30, 2020**.

## Does My W-2 Include My Last Paycheck?

Every year we get questions from customers asking why their last paycheck for the year is not reflected on their W-2. In order for the last paycheck to be included in this year's W-2, it must have a check date in 2020. The start or end date of a pay period does not matter to the IRS.

If your last check was **dated** in 2020, it should be on your 2020 W-2. If your check for the last pay period of 2020 is dated in January of 2021, then it will be on your 2021 W-2.

Consider non-taxable pay types and deductions such as expense reimbursement, 401K, Section 125, and other pre-tax deductions when verifying Federal, Social Security, Medicare, and State wages on your W-2.

## W-2 Processing

As a part of our continuing effort to provide the most cost-effective payroll services, please note some of the benefits of our W-2 services.

- Our W-2 service for tax deposit and non-tax deposit clients includes electronic filing of your federal W-2 forms. You not only receive employee and employer W-2 forms, but we will electronically file all W-2 forms with the Social Security Administration.
- Our W-2 service includes pressure sealed W-2 forms at no additional charge.
- Some states require employers to submit copies of Employee W-2 wage statements to the Department of Revenue annually. Our W-2 service includes submitting paper or electronic W-2 forms to the appropriate state agencies for our tax deposit customers only.
- To reduce paper waste, we do not print separate Form W-3s for each of our clients. As an equivalent, these totals appear at the end of the Employer's copies of W-2 forms.

The charge for processing W-2 forms is \$102.75 for a quantity of 15 or less and \$6.85 for each additional W-2 thereafter. **This charge includes all the services mentioned above and will be debited from your account with your first payroll in January 2021.**

W-2 and 1099 forms will be sent out beginning with payrolls processed in January 2021. If you are interested in early delivery of your package by January 7, 2021, please contact your Payroll Specialist. The early delivery fees include the cost of your W-2's plus an additional shipping charge of \$20.00. If you have not processed payroll by January 15, 2021, your W-2s and 1099s will be billed and shipped separately, to arrive by January 26, 2021.

The image displays two tax forms. On the left is Form 1099-NEC (Nonemployee Compensation) for the year 2020. It includes fields for Payer's name, Recipient's name, and Recipient's TIN. On the right is Form W-2 (Wage and Tax Statement) for the year 2020. It includes fields for Employer identification number, Employer's name, Employee's social security number, and various boxes for wages, tips, and taxes. Both forms are marked with 'VOID' and 'CORRECTED' in the top left corner.

## Social Security Numbers

Do you occasionally add an employee to your payroll without a Social Security Number (SSN)? We strongly discourage any employer paying an employee or independent contractor without a **VALID** SSN or Individual Taxpayer Identification Number (ITIN).

Employers must review the Federal W-4 forms they receive from employees to ensure the form is properly completed. Even if you have a copy of the employee's Social Security card and a completed Federal Form W-4, the SSN could still be incorrect. You can face penalties as high as **\$270 per W-2 Form** for unfiled or uncorrected W-2s, so we recommend all W-2s have correct SSNs.

Employers can use the SSA's TNEV (Telephone Number Employer Verification) or SSNVS (Social Security Number Verification Service) to verify Social Security Numbers. Employers who verify SSNs for their employees must be registered with the SSA's Business Services Online website. For information regarding how to register and use the SSA's Business Services Online, go to:  
<http://www.ssa.gov/bsowelcome.htm>.

If you would rather Corporate Payroll Services handle this for you, our E-Verify services will check both the SSN and the eligibility of an employee to work in the United States. Please go to [www.corpay.com/e-verify](http://www.corpay.com/e-verify) or email [EVERIFY@corpay.com](mailto:EVERIFY@corpay.com) for more information.

## Invalid Tax and Wage Reports

**Most states no longer accept Quarterly Tax and Wage Reports containing invalid social security numbers (SSNs).**

Incomplete reports or reports containing invalid SSNs will not be processed. Delinquency fees will also apply if the reports are not successfully submitted by the report due date. We do not recommend adding new employees in payroll without a valid SSN.

## Over \$100,000?

As year-end approaches, please keep in mind that if you submit a payroll that exceeds \$100,000 in 941 taxes or \$150,000 in net direct deposits, you will need to do a wire transfer, or we can set up an automatic wire transfer for you.

If you do not wish to wire these funds, you will need to submit your payroll at least four banking days prior to your check date and give us approval to debit your bank account three banking days early to ensure the availability of funds.

## 1099-NEC (Nonemployee Compensation)

Don't forget to send any amounts for 1099 forms that you want us to produce. For new 1099 individuals, information should be sent to us immediately to set them up. 1099 contractors need a valid Social Security Number, Individual Taxpayer Identification Number, or Federal Employer ID on file in order to receive accurate 1099 forms.

The charge for processing 1099 forms is \$102.75 for a quantity of 15 or less and \$6.85 for each additional 1099 thereafter. In addition, our normal per check and base charges will apply for entering the 1099 information. For no additional charge, we file the **Form 1096** and required federal copies for you.

Please note that the 1099 forms we now file are 1099-NEC, 1099-R, 1099-S and 1099-DIV. **The deadline for submitting the information for 1099s is 2PM on Wednesday, December 30, 2020.**



## Manual and Voided Checks

Payroll checks which were issued manually or which need to be voided which have not already been sent to us, must be sent to us to be processed for the quarter in which they were originally issued.

Depending on the age of the voided checks, amended returns may not only have to be filed for the quarter to which the voids apply, but for succeeding quarters as well. If adjustments for the fourth quarter are sent in **after 2PM Wednesday, December 30, 2020** and before the filing of returns, the charge is \$175.00 to make the adjustments and reprint your copies of returns. Please send adjustments in early to avoid this charge.

If adjustments or voided or manual checks are sent in after the returns have been filed, the charge is a **minimum of \$275.00** to make the adjustments and file amended returns.

Send us any voided or manually issued checks for 2020 which have not been sent already, so you can save the cost of reprinting and amending returns.

## Employee Portal

With our Employee Portal, your employees can update their own profile and contact information, state and federal tax withholding information, view and print check stubs, W-2s, and 1099 tax forms.

Administrators can view a complete audit trail of changes and easily choose what employees can see and change. If you have not yet benefited from this **FREE** feature, contact your Payroll Specialist today!

## Verify Employee Information

Employers, your employees must verify the information that prints on their checks and check stubs. It is very important that all their information is correct. The following employee information must be verified on payroll worksheets and reports:

- Name
- Employee Address
- State Withholding State
- State Unemployment State

All corrections must be received by us **no later than 2PM Wednesday, December 30, 2020.**

## ACA Compliance

Corporate Payroll Services can help you maneuver the complex aspects of the Affordable Care Act (ACA) with a report available to help you determine if you are subject to the Applicable Large Employer (ALE) filing requirements. Generally, you are an ALE if you have 50 or more full-time equivalent employees. Simply email [ACA@corpay.com](mailto:ACA@corpay.com) for more information.

## Avoid Workers Compensation Down Payments!

Avoid large down payments and large year-end audit adjustments for workers compensation insurance with our **EasyWComp** pay-as-you-go workers compensation insurance. We have teamed up with several major carriers to give you the best options for coverage.

With EasyWComp, your premiums are calculated and deducted each pay period based on actual payroll, not estimated payroll. This means you are only paying for what you need!

Pay-as-you-go minimizes audit disputes and Corporate Insurance Solutions will provide any reports requested by your insurance carrier to resolve any audit issues.

Contact us today to get started with EasyWComp! Submit your request at [www.corpay.com/wc-quote](http://www.corpay.com/wc-quote), and one of our licensed agents will contact you within one business day.



***Thank you for your business,  
we look forward to serving you  
in 2021!***