4 Things to Remember Before Year-End

In this article, we hightlight 4 very important tasks to prepare now before the start of 2020. Reviewing employee information and the accuracy of your payroll are a few that come to mind.

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It's almost that time of the year! No, not the holiday shenanigans, but rather the less exciting work stuff: year-end payroll and taxes. If you are a mid-sized business, these tasks can be a bit daunting and overwhelming. A few mistakes on your taxes can cause unwanted attention and raise red flags for our friends at the IRS. However, having a checklist and a little preparation will assure a smooth year-end. We have compiled a list of 4 important tasks to prepare now before year-end.

1. Review Employee Information

There is nothing worse than sending your employees their tax filing forms and having them not receive them. Put a reminder on your company portal or on check stubs to remind employees to update the following:

- Verify address
- Verify Social Security Number

2. Review Accuracy of Payroll

The IRS wants to know what everyone earns and wants to make sure that you are deducting the right amount of money from your employees. Once the W-2s are filed, they want to see that they match what was reported on Forms 941. Before you submit, make sure that there are no inaccuracies. If there are, don't panic; you can always make changes and send an amended Form 941.

3. Affordable Care Act Reporting

Every year, the IRS requires companies to report ACA information about their company and employees. Before you submit this information, make sure all your employees' social security numbers (SSN) match. Once you ensure all your employees' SSNs match, make sure you collect all your employees' enrollment and waived forms. This will help you dispute any future IRS penalties.

4. Know Your Due Dates

These are the forms you will need to file, and all are due by **January 31, 2020** unless otherwise specified:

- **All Forms W-2**

Once it's confirmed that all your payroll information is accurate, it is time to send your employees their W-2 forms. You must then send a copy to the Social Security Administration. Failure to furnish W-2s can result in a penalty of up to $280 per unfurnished form.

- **FurnishedForms 1095-C**

Make sure all your ACA full-time employees have Forms 1095-C. Failure to do so could result in a penalty under IRC Section 6722.

- **Form 1099-MISC**

You must submit a 1099-MISC form whenever a payment was made to a non-employee, such as an independent contractor or freelancer. Other payments, such as rent, prizes, and awards, also require a 1099-MISC filing. Before filing Form 1099, make sure you have correct W-9s from independent contractors and vendors you did business within 2019. If you are not sure if you should file a Form 1099-MISC, visit the IRS website https://www.irs.gov/forms-pubs/about-form-1099-misc for more information.

- **Forms 940 and 941**

Form 940 is the Employer's Annual Federal Unemployment (FUTA) Tax Return and is used to report your FUTA tax. This tax is used, alongside your state's unemployment system, to fund compensation provided for workers who have lost their jobs and are temporarily unemployed. Do not collect or deduct FUTA tax from your employees' wages. Fourth quarter Form 941: This form reports income taxes, social security tax, and Medicare tax withheld from your employees' paychecks, as well as the employer portion of FICA, and reports all deposits of these taxes made throughout the year. You must file Form 941 by January 31 if a balance is due, or by February 10 if no balance is due.

- **Form 8922**

If applicable, file Form 8922 by March 2, 2020. This form reconciles employment tax returns with Forms W-2 when third party sick pay if paid. At Viventium, we understand how overwhelming year-end can be. Download our full checklist to stay on track this season.

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