

DECEMBER 2017

AccuPay Bulletin

CALENDAR

Dec 18- WinRX program & proforma download available

Dec 25 & Jan 1- Office closed

Jan 2- Year-end processing begins

Jan 31- Recipient 1099/W2 deadline

AccuPay E-File Dates

- **W-2:** Jan 31, 2018 @ 2 pm
- **DE9/9C:** Jan 31, 2018 @ 2 pm
- **1099-MISC:** Jan 31, 2018 @ 2 pm**
(*Non-EE Comp)
- **All Other 1099:** April 2, 2018

NEW STATE FILING REQUIREMENTS

Effective January 1, 2018, all employers are required to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD).

AccuPay will automatically e-file your DE9/9C forms, unless you tell us otherwise. If your clients are not set up for electronic payments, please visit edd.ca.gov to enroll in e-Services for Businesses.

HOUSEHOLD EMPLOYERS: AccuPay is unable to e-file DE3HW/BHW (household) forms. In order to remain in compliance, you have 2 options:

- **Change to DE9/9C.** In WinRX, select California as the Primary State. On data sheet A, use State Code 01. The employees should remain coded with "5" in the federal wage code field, which produces a Schedule "H".
- **E-file manually** on the EDD website using e-Services for Businesses.

If you have a waiver or do not want us to e-file, you can suppress the state e-filing. To suppress using WinRX, click the button in the "State Quarterly Information" screen. On data sheet A, write "SUPPRESS" in the Apay Use box in the top margin. We will proforma your selection for future processing.

- **Want us to make electronic payments for you? Call us about our full-service payroll option.**

IMPORTANT REMINDERS

- Due date for filing 2017 Form 1099-MISC is January 31, 2018 when reporting nonemployee compensation in box 7. Otherwise, e-file by April 2, 2018. *Please refer to the IRS 2017 General Instructions for Certain Information Returns.*
- **Need more time?** File a 30-day extension using Form 8809:
 - Online: fire.irs.gov
 - Mail in: irs.gov/form8809
- Due date for filing 2017 Form W-2 is now January 31, 2018 whether you file using paper forms or electronically. Extensions are no longer automatic. *Please refer to the IRS 2017 General Instructions for Form W-2 and W-3.*
- Please review changes to extensions and penalties. Refer to the above publications which can be found at www.irs.gov.

NEW SERVICE: ACA E-file Reporting 1095-C / 1094-C

- You complete a spreadsheet provided by AccuPay
- AccuPay will mail employee copies and e-file to the IRS on Feb. 28
- \$35.00 basic fee + \$3.00 per employee

NEW FEATURE: Pay Invoices Online

Visit AccupaySystems.com
Click on Quick Links- Pay Invoice

W-2 & 1099 ENVELOPES

All AccuPay 1099 and W-2 forms use the same #9 double-window envelope.
Cost: \$12.00 per 100 plus shipping.
Call us or order online under Quick Links.

PRINTBACK SCHEDULE

Expedite PrintBack Service hours are 9:00 AM—9:00 PM Monday thru Saturday for WinRX returns during the processing months. Returns will be available within 2 hours of transmission. The charge is \$2.10.

Standard PrintBack Service hours are 9:00 AM—5:00 PM Monday thru Friday. Standard PrintBack returns will be available by 8:00 AM the next business day. The charge is \$1.10.

MAILING ADDRESS

PO Box 8457
Huntington Beach, CA 92615

CONTACT US

Phone: (925) 945-1660
Fax: (925) 945-6544
Email: tech@accupaysystems.com

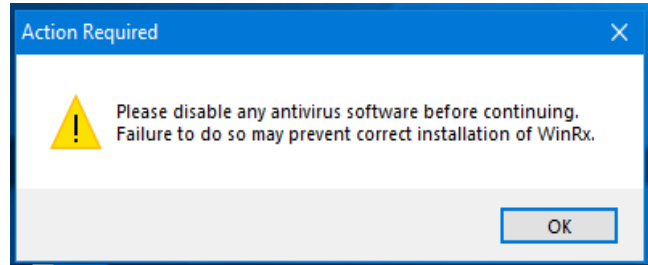
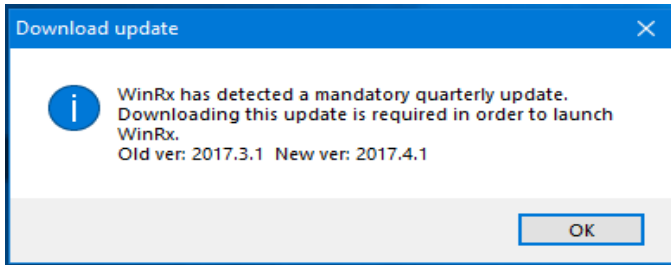
STREET ADDRESS

20422 Beach Blvd, Suite 345
Huntington Beach, CA 92648

WINRX NOTES

The WinRX Q4 update will be available on **December 18th**. Simply open your existing program and follow the prompts.

PLEASE NOTE: you need to temporarily disable anti-virus or Windows Defender to allow proper installation.



If you need to install on a new computer, go to AccupaySystems.com/win-rx.

FUTA CHANGES

California has been designated by the Department of Labor as a Credit Reduction State for not repaying money it borrowed from the federal government to pay unemployment benefits.

- For California employers (.021), this will increase FUTA tax by **\$147.00** for each employee that makes \$7000 or more.
- **Maximum is \$189 per employee.** This additional tax liability is due in 4th Quarter.
- AccuPay will produce Form 940 and calculate an additional tax liability when Form 941/944 employees are present. No special input is required.

FORM 940 OPTIONS

- **Exempt organizations**- Form 940 is not required. SUPPRESS the printing of Form 940. (All employees should be coded as FUTA exempt on Data Sheet B.)
- **All wages are EXEMPT from SUI**- FUTA should be calculated at 6.0% rate. (All employees should be coded as SUI exempt on Data Sheet B.)
- **Successor Employer**- ALL wages are included on successor employer's W-3/W-2. On Data Sheet A-1 or the WinRX 940 screen, check the Successor Employer box and enter taxable FUTA wages (up to \$7000 per employee) that were paid by the Predecessor Employer. The new employer will receive credit for these FUTA wages. Also enter the Predecessor's FEIN on Data Sheet A-1 or WinRX W-2 Options screen.

W-3 CONTACT INFORMATION REQUIREMENT

If AccuPay is electronically filing your W-2/W-3, an **EMAIL address** is **REQUIRED** by the SSA. Contact information should be a principal/primary person in the company. This could be the owner, sole proprietor, sole shareholder, director, president, or managing partner. Complete contact information for a principal/primary person may be required for future filings.

- Name
- Phone and Extension
- Fax
- **Email address (REQUIRED)**

YEAR END PAYROLL NOTES AND REMINDERS

S-CORP MEDICAL INSURANCE

Health Insurance for a 2% S-Corp Shareholder should be included on W-2 Box 1 (Wages) but not subject to FICA tax. *Using the steps below, AccuPay will automatically add the amount to box 1 for you. Do not add the amount to wages. Also report the amount in Box 14 as an informational item.*

Code (13) is available in Data Sheet D to print **S-Corp Medical Ins** in Box 14. The amount will still need to be entered as Other Compensation to flow to W-2, Box 1.

Data Sheet user: On **Data Sheet C**, use code **A** with the *amount* as Other Amount.
On **Data Sheet D**, use code **13** with the *amount* in the Box 14 column.

WinRX user: On the **Employee Screen**, enter the *amount* as Other with code **A**.
On the **Employee Year End/ W-2 Screen**, enter the *amount* and select code **13** from dropdown list for Box 14.

W-2 BOX 14 CUSTOMIZED DESCRIPTION

Data Sheet D can be used to enter additional information for printing on an employee's W-2. It includes codes for W-2 boxes 8, 10, 11, 12, and 14. You can also create customized text for W-2 Box 14 as follows:

Data Sheet user: Enter your custom description on **Data Sheet A-1**. Then use codes 9 or 10 on **Data Sheet D** with *amount* for affected employees.

WinRX user: Click on the **W-2 & Year-End Options** to enter your custom description. On effected **Employee Screen**, click on **Employee Year End/ W-2**. Enter the *amount* and select your Box 14 description from the dropdown list. **Note:** The descriptive text and the money amount will print **ONLY** in Box 14. No amounts will be carried to any other box on the W-2.

CODE DD- EMPLOYER SPONSORED HEALTH COVERAGE

As part of the Affordable Care Act, employers may be required to report the cost of health coverage under an employer-sponsored group health plan. The amount reported on the W-2 box 12 with code DD is the non-taxable value that was excluded from the employee's income.

Data Sheet user: On **Data Sheet C**, use code **M** with *amount* as Other Amount.

WinRX user: On the **Employee Screen**, enter the *amount* as Other with code **M**.

FORM 1040, SCHEDULE H HOUSEHOLD EMPLOYEES

AccuPay will produce a Schedule H (Form 1040) at year-end whenever Household Employees are present:

Data Sheet user: On **Data Sheet A** enter the Employer's SSN. On **Data Sheet B**, box 78, code each household employee with Federal Wage Exempt code 5 or 6.

WinRX user: On the **Employer Screen**, enter the Employer's SSN. On the **Employee Screens**, code each household employee with a Federal Wage Exempt code 5 or 6.

Reminder: Household employers **MUST** have a Federal Employer Identification Number in order to file W-2s. AccuPay produces W-2s for all employees with wages. *If a household worker has less than \$2,000 in FICA wages, the FICA information will NOT be reported in the social security and Medicare wage and tax boxes on the W-2.* See IRS Pub. 15 for more details.

FORM 1099 NOTES AND REMINDERS

1099 PROFORMAS NOW IN PRINTBACK

This is the first time we have offered full 1099 proformas in PDF format. These are the same proformas that are typically mailed out each year. Now you can download the PDF file directly to your computer.

First, click on the "Get Printback" yellow icon on your desktop (same as if you were downloading a Printback return). Then, enter your account number and password. When the list of files appears, check the box next to the file ending in "PFMA.zip". All 1099 proformas are contained in this one file.

PAYEE COPIES MAILED FOR YOU

AccuPay can mail Form 1099 **payee copies** for you.

If requested, there will be an additional charge of \$1.10 per payee to cover postage, envelopes, and labor.

The first mailing date will be January 31st for returns processed by **January 29th**. Any changes must be made by January 29th. If additional changes are required after payee copies have been mailed, but prior to e-filing with the IRS, you can manually **X** the "Corrected" box and mail the revised 1099 to the payee.

WinRX user: On Payer Information screen, check the box in the "Other Options" section.

Data Sheet user: On Data Sheet A99, enter "X" in the "Mail Payee Copies" section.

Excel user: Check the box on Electronic Transmittal form.

Additional mailing dates will be available in February-March. Visit our website for further details.

MASK SSN ON PAYEE 1099

AccuPay can, at your request, mask the first 5 digits of a payee's social security number. It does not apply to FEINs and affects ONLY the payee's copy of the 1099. This option is a security measure on the payee copy that will be mailed.

To request that the payee's SSN be masked (i.e. 123-45-6789 to XXX-XX-6789):

- **Data Sheet user:** Enter 'M' on Data Sheet A99, in the 'Mask SSN' box.
- **WinRX user:** Check the appropriate box in the center of the Payer Screen.
- **Or,** contact AccuPay to set up your account to 'Mask' the SSN on the payee copy for ALL 1099 returns.

REMINDERS

The Recipient copies of 1099s must be mailed by **January 31, 2018**.

We have added a new field for Payers' email addresses. Please enter in WinRX or on Data Sheet A99. The email address will print out on Form 1096.

The IRS can assess penalties for failure to file information returns as well as for failure to furnish correct payee statements.

AccuPay performs a series of edits to check for missing payee taxpayer identification numbers and missing or incomplete payee information. All diagnostics should be reviewed prior to giving the return to your client.

Correcting missing or incomplete payee information BEFORE the AccuPay E-filing deadline will eliminate potential IRS penalty notices to your clients next summer.

The information return payer/filer is responsible for the accuracy and completeness of the return. AccuPay acts only as a transmitter, NOT as preparer.