

March 2018

AccuPay Bulletin

www.accupaysystems.com

IMPORTANT QUARTER 1 WINRX INFORMATION

WinRX proformas will be available for DOWNLOAD on **March 26th**. Update your Quarter 1 proformas by opening your WinRX program and following the prompts. This applies to both stand alone and server users.

If you do not have WinRX installed on your computer, you can get the newest version by going to our website: www.accupaysystems.com/win-rx/

Server Users:

WinRX must be installed on each user's computer. The network administrator needs to set up a shared data folder on the server. During installation, each user must select this shared data location. See our website for detailed instructions.

www.accupaysystems.com/win-rx/

CALENDAR

- Mar 26** WinRX program update and proforma download available.
- Apr 02 2:00 PM** - E-filing 1099 returns.
- Apr 02** First quarter processing begins.
- Apr 30 2:00 PM** - DE9/DE9C E-file deadline.

IMPORTANT PROCESSING INFORMATION

NEW STATE E-FILE REQUIREMENT REMINDER

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 household forms 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 "S" in the DE-9/9C E-file box.

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

- **E-file Status Reports:** 1099 status reports will be included with March billing statements. These reports confirm electronic filing and should be retained for your records.
- **Employer List:** A list of your current payroll clients is enclosed.
- **LATE** transmissions are scheduled for NEW returns on April 30 and May 31, 2018
- **Red filing copies** may be requested in lieu of E-filing for 1099-MISC until May 31st. After the May filing, 1099 processing is available for all form types on Red paper forms.

MAILING ADDRESS

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NEW RATE AND WAGE BASE—WAGE EXEMPT CODES

2018 RATE & WAGE BASE

- **Social Security:**
Wage base: \$128,400
Employee rate: 6.2%
Employer rate: 6.2%
- **Medicare:**
Employee rate: 1.45%
Employer rate: 1.45%
- **Additional Medicare Tax:**
Wages over \$200,000:
Employee rate: 0.9%
Employer rate: none
- **California SDI:**
2018 wage base: \$114,967
Withholding rate: 1.0%

Use of WAGE EXEMPT codes for SPECIAL TYPE of employees	Fed Code col 78	State Code col 79
ONE SPOUSE EMPLOYED BY ANOTHER Not subject to FUTA, SUI, SDI	2	W
CHILD EMPLOYED BY PARENTS Under age 18. Not subject to FICA, FUTA, SUI, SDI. Under age 21. Not subject to FUTA.	1 2	W blank
HOUSEHOLD EMPLOYEES A Federal Wage code of 5 or 6 identifies a household Employee Wages in the aggregate are less than \$750 each quarter (State filing may not be required.) - Not subject to FUTA, SUI, SDI. Wages in the aggregate are at least \$750/quarter, but less than \$1000 each quarter - Not subject to FUTA or SUI. Wages in the aggregate are \$1000/quarter or more in any quarter in 2017 or 2018. Subject to ALL employment tax.	6 6 5	W J blank
OUT-OF STATE employee that is subject to 6.0% FUTA tax: Code X identifies a special out-of-state employee exempt from SUI and subject to 6.0% FUTA tax.	blank	X
Special Note about State Wage Exempt Code “R”: This Religious wage exempt code does NOT necessarily refer to clergy. It refers to an employee who has an EDD approved exemption from SDI taxes based on religion under Sec 2092 of California UIC.		

HOUSEHOLD WORKERS-WHEN EMPLOYER PAYS THE TAX

If the employer pays the employee’s share of Social Security and Medicare taxes, this amount is taxable ONLY for income tax purposes.

If an employer pays the employee’s SDI tax, this amount is taxable for social security, Medicare, FUTA, SUI, ETT and SDI as well as for income tax purposes.

Steps	Example	Worksheet
1. Enter cash wages	2000.00	
2. Subtract SDI rate (0.01 for 2018) from 1.00	0.99	0.99
3. Divide step 1 by step 2	2020.20	
4. Multiply step 3 by combined FICA rate (.0765)	154.55	
5. Enter Step 3 results on Data Sheet B as Wages. Enter Step 4 results on Data Sheet C as Other Compensation with code “A”.		

REMINDER: An Employer Identification Number (EIN) is **REQUIRED** for a household employer.

For 2018 a household employee earning less than \$2100 is NOT subject to FICA

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—6:00 PM Monday thru Friday. Standard PrintBack returns will be available by 8:00 AM the next business day. The charge is \$1.10.