

2024 Year-End Planning Guide

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Introduction

The end of the year 2024 is fast approaching. To help with the additional responsibility and work that comes with year-end and the changes that a new year can bring, we have prepared some guides to help. The complete guides can be found on our website at:

<http://www.harperspayroll.com/yearendguide.pdf>

<http://www.harperspayroll.com/downloads/2025LimitWageBaseWorksheet.pdf> (available after 12/1/2024)

Key Dates:

November 28th (Thursday)* - Thanksgiving Day - Closed
November 29th (Friday) – The day after Thanksgiving Day – Closed
December 20th (Friday) – Close at 12-1pm for company luncheon
December 24th (Tuesday) – Christmas Eve – Close at 3pm**
December 25th (Wednesday)* – Christmas Holiday - Closed
January 1st (Wednesday)* – New Year's Day – Closed

* Bank Holidays: Consider bank holidays when preparing and submitting payroll. You must allow 48 hours from processing date to check date to ensure timely funding of direct deposit into your employees' accounts.

** Payrolls on December 24th should be submitted for processing by noon time.

Deliveries: Please be aware that delivery delays may occur due to higher than normal delivery volume during the shorter holiday weeks. Contact customer service to arrange for alternative delivery options if needed.

Year End Schedule for W2's and Quarterlies:

All year-end adjustments must be submitted no later than 1/3/2025.

All clients are encouraged to complete all their 2024 adjustments no later than 12/27/2024 to avoid delays in preparation of tax forms, additional fees, assessed penalties and costly amended returns and W2c's.

2024 adjustments received after 1/3/2025 will not be processed until mid-February and will be subject to a minimum \$300.00 fee and will result in W2C's and amended quarterly returns.

Harpers Payroll is not responsible for any penalties and interest assessed on late payments due to 2024 adjustments processed after 12/27/2024.

Year End Schedule for ACA (1095C) Forms: Employers are required to provide form 1095C to their employees for the calendar year 2024 by 3/3/2025. To ensure timely processing of the forms, and compliance of the deadline, **please populate the ACA information in the payroll system no later than 1/31/2025.**

Please contact your Client Service Representative at customerservice@harperspayroll.com or 1-800-696-2027 or 508-753-2385 with any questions. We thank you for your continued loyalty. We appreciate you choosing Harpers Payroll Services to support your payroll needs and would like to wish you and your organization a happy and healthy holiday season.

Best Regards,
Harpers Payroll Services

Holiday Planning

Holiday Schedule – 2024 and 2025 Dates

Harpers Payroll Services

Holiday	Date Observed (Harpers Closed)
Thanksgiving Day 2024	Thursday, November 28
Day after Thanksgiving 2024	Friday, November 29
	Friday, December 20 (Close 12-1pm - Luncheon)
Christmas Eve 2024	Tuesday, December 24 – Close at 3PM
Christmas Day 2024	Wednesday, December 25
New Year's Day 2025	Wednesday, January 1
Memorial Day 2025	Monday, May 26
Independence Day 2025	Friday, July 4
Labor Day 2025	Monday, September 1
Thanksgiving 2025	Thursday, November 27
Day after Thanksgiving 2025	Friday, November 28
Christmas Day 2025	Thursday, December 25

Federal Reserve

When the Federal Reserve is closed, no direct deposit or tax payments will be sent nor will funds be settled on those days. You should not have checks dated on Federal Reserve Holiday dates.

Holiday	Date Observed (Federal Reserve Closed)
Thanksgiving Day 2024	Thursday, November 28
Christmas Day 2024	Wednesday, December 25
New Year's Day 2025	Wednesday, January 1
Martin Luther King, Jr. Day 2025	Monday, January 20
President's Day 2025	Monday, February 17
Memorial Day 2025	Monday, May 26
Juneteenth Day 2025	Thursday, June 19
Independence Day 2025	Friday, July 4
Labor Day 2025	Monday, September 1
Columbus Day 2025	Monday, October 13
Veterans Day 2025	Tuesday, November 11
Thanksgiving 2025	Thursday, November 27
Christmas Day 2025	Thursday, December 25

Upcoming Bank Holidays: Reminder: Veteran's, Thanksgiving, Christmas, and New Year's Day are bank holidays so please consider this when preparing and submitting payroll on the holiday weeks. Please allow 48 hours from processing date to check date to ensure timely funding of direct deposit into your employees' accounts.

Payroll Deliveries: Please be aware that delivery delays may occur due to higher than normal delivery volume during the short holiday weeks. Alternative delivery options such as Client Pick-Up (at Harpers office), Federal Express or UPS overnight or priority service are available if needed to meet your needs.

Holiday Schedule Guidelines

- **Timely Direct Deposits** – *submit payroll by 2:00 PM two business days prior to check date*
 - Banking holidays may have an impact on the availability of funds for your employees
- **Deliveries** done via courier are scheduled to be completed by 5:00 PM the day after submission
 - Harpers does not guarantee a time for delivery other than by 5:00 PM.
 - If you have concerns regarding delivery times you may consider using alternative delivery methods such as UPS Overnight, FedEx Overnight or Pickup
- **Harpers Payroll is closed on, November 29th**
 - Please plan accordingly if you normally transmit or pickup on Friday
 - Delivery of payrolls is not impacted

Year End Checklist

- Audit employee data related to SSN, name and mailing address and make any updates in Harpers by December 6, 2024.
 - Harpers can submit your employee data electronically to the SSA for SSN verification for all employees paid in 2024
 - \$.25 per SSN Verified /Minimum Fee \$25
 - Contact customerservice@harperspayroll.com to request SSN Verification
- Review processing deadlines and identify your last payroll(s) of 2024.
- Review holiday schedule and Federal Reserve holidays for 2024 and 2025.
- Review payroll calendar schedule for 2025 and contact your dedicated Client Service Representative or our Client Email Support Team @ customerservice@harperspayroll.com for any necessary changes.
- Schedule and Process Year End/Holiday Bonus Payroll
- Register for a Year-End Training Session
- Process any year-end adjustments, such as group term life, personal use of company car, third-party sick pay, 12DD ER Health, etc. before your last payroll of 2024.
- Enter any additional manual and/or voided checks prior to your last payroll of 2024 to ensure they get recorded in 2024. If you enter additional manual checks/or voids after 12/28 or after processing your last payroll for the year, please contact your support team to ensure they are processed prior to W2 printing.
- Submit 1099-NEC Reporting through payroll
- Verify 1095C ACA coding is complete by **January 31, 2025**
 - If 1095C ACA coding is completed before January 31, 2025, contact customerservice@harperspayroll.com to request print of 1094C/1095C forms
 - Run your ACA Data and Review Report as a final audit

Year-End Processing Schedule

Harpers Payroll Services has changed our year-end scheduling procedure and no longer offer 2 different schedules. Although Harpers Payroll will accept 2024 adjustments until January 3rd for last minute updates to be included in your 2024 tax forms, we strongly recommend that all adjustments are completed before December 27th, 2024, to avoid additional processing fees and penalty and interest fee assessments from the taxing agencies.

Schedules for W2's and Quarterly Reports are as follows:

W2s, 1099-NECs, and Quarterly reports Schedule:

Last date for processing Year-End Adjustments	Jan 3 *
Distribute W2's and 1099-NEC's	Jan 13-24
W2s Available (PayrollForward/EmployeeForward)	Jan 24
Distribute Qtr4 Quarterlies	Jan 24
Qtr4 Quarterlies Available (PayrollForward)	Jan 24
Quarterly Recon Debits/Credits	Jan 24

*Liability from late adjustments are due by January 6th or sooner depending on liability due.

Please be aware of the following:

- Delaying processing of adjustments after an employee's last paycheck for the year could potentially impact the ability to deduct the required taxes from the employee.
- Although adjustments are accepted until 3PM on 1/3/2025, we strongly recommend that all adjustments be processed before December 27, 2024 to avoid potential penalty and interest fees assessments from taxing agencies, and additional processing fees.
- Any penalties and interest assessed on late payments as a result of adjustments processed after 12/27/2024 is the responsibility of the client and will not be the responsibility of Harpers Payroll.
- **Any changes/corrections submitted after 3PM on 1/3/2025 will result in amended returns, W2C's, additional fees, and will not process until mid to late-February.**

ACA 1094C/1095C Schedule:

Last date for update/changes	Jan 31
Distribute ACA 1095C forms	Jan 23-Feb 21

Year-End Adjustment Fee Schedule

Year-end adjustments processed prior to 12/27/2024 – standard payroll processing fee

Year-end adjustments processed between 12/27/2024 and 1/3/2025 – stand payroll processing fee, plus \$75.00

Year-end adjustment processed after 1/3/2025 - minimum fee is \$300.00

Important: IRS Deadlines:

IRS Deadline for supplying W2 and 1099NEC forms to employees	Jan 31
IRS Deadline for filing W2 and 1099NEC with the agency	Jan 31
IRS deadline for supplying ACA forms to employees	Mar 3
IRS Deadline for filing ACA forms with the agency	Apr 1

Year End Training

Year End Review Webinars

This webinar occurs several times. Please register for the date and time that works best for you.

Year End Review Webinars:

Wednesday, December 4th 12:00pm - 1:00pm

Friday, December 6th 9:00am – 9:30am

Wednesday, December 11th 12:00pm - 1:00pm

Friday, December 13th 9:00am – 9:30am

Wednesday, December 18th 12:00pm - 1:00pm

Friday, December 20th 9:00am – 9:30am

[Register Now!](#)

After registering, you will receive a confirmation email containing information about joining the webinar.

ACA / 1095C Webinars

This webinar occurs several times. Please register for the date and time that works best for you.

ACA Webinars:

Thursday, December 5th 9:00am - 10:00am

Friday, December 6th 12:00pm – 1:00pm

Thursday, December 12th 9:00am - 10:00am

Friday, December 13th 12:00pm – 1:00pm

Thursday, December 19th 9:00am - 10:00am

[Register Now!](#)

After registering, you will receive a confirmation email containing information about joining the webinar.

Year End Topics

Items that may generate an adjustment run include but are not limited to the following:

- ☐ Manual and voided checks not entered into payroll
- ☐ Earning or deduction coding discrepancies
- ☐ Bonus or Adjustment Payrolls
- ☐ Health Premium Reporting on W2's (12DD W2 Reporting)
- ☐ Affordable Care Act Reporting (ACA – 1094/1095C Forms)
- ☐ Third Party Sick Pay
- ☐ COBRA
- ☐ Employer contribution to an HSA plan
- ☐ Group Term Life Insurance (GTL)
- ☐ Personal use of company vehicle
- ☐ Employee Business Expense reimbursements
- ☐ Company paid: health club membership, parking, transportation, etc.
- ☐ Awards, gifts, etc.
- ☐ Auto Allowance
- ☐ S-Corp Benefits
- ☐ Paid Family Medical Leave (PFML)
- ☐ 1099 Reporting
 - PFML impacts

Adjustments must be entered on a payroll when the employee is being paid to avoid tax implications or tax out of balance issues on the 941. All adjustment runs done after December 27, 2024 will be a minimum fee of \$75 and may result in additional penalty and interest.

Health Premium Reporting on W2's (12DD)

Effective 2014 employers that report 250 or more W2's in a calendar year are required to report the total cost of health care premiums on the W2's. If you have 250 or more W2's in 2024, contact your Client Service Representative for further guidance and instructions.

IRS Form 1094C and 1095C

The Affordable Care Act requires employers who are an Applicable Large Employer (ALE) with 50 or more Full Time employees (including full time equivalents), to report the coverage offered to all benefit eligible employees to their employees and the IRS under an employer-sponsored group health plan. Whether you have fully or self-insured benefits plans, you are required to file these forms.

The IRS requires ALE employers to provide the IRS Form 1094C to all benefit eligible employees. Part 1 and 2 of this form must be completed for fully insured plans. Part 1, 2 and 3 of this form must be completed for all self-insured plans.

IRS Form 1095C

- **Plan Start Month Now Required:** Part II of Form 1095-C provides space to enter a 2-digit number indicating the plan start month. Completion of this field, which was optional in past years, is now required.
- **Affordability Threshold Increases for 2025:** The IRS has announced that the ACA affordability percentage used to determine compliance with the employer mandate will increase from 8.39% (2024) to 9.02% (2025) of the employee's household income, as determined under one of the three safe harbor approaches available to employers.
- **1095-C Age and Zip Code Fields Now Apply:** Form 1095-C now contains a box for the employee's age, and a new line 17 to enter the employee's ZIP code. These fields should be completed by employers offering an Individual Coverage Health Reimbursement Arrangement (ICHRA).

The 1094C form is the transmittal form which must be completed and submitted to the IRS.

Employers are required to provide form 1095C to their employees for the calendar year 2024 by March 3, 2025. Form 1094C is due to be filed to the IRS by April 1, 2025.

To ensure timely processing of the forms, please populate the ACA information in the payroll system by January 26, 2025.

Employee Level Coding Common Examples:

For Months that the employee was offered insurance and accepted

Offer of Coverage	1E (Plan with MEC providing min value offered to EE, dependent, and spouse)
Employee Share	Lowest rate offered (Employees Monthly amount)
Employer Relief	2C (employee enrolled in coverage offered)
Self-Insurance	No (Unless you are self-insured, then this would be YES)

For Months that the employee was offered insurance and declined coverage

Offer of Coverage	1E (Plan with MEC providing min value offered to EE, dependent, and spouse)
Employee Share	Lowest rate offered (Employees Monthly amount)
Employer Relief	2F, 2G or 2H (Employer Relief)
Self-Insurance	No

For Months that the employee was not offered insurance because they were not employed

Offer of Coverage	1H (No offer providing minimal essential coverage)
Employee Share	0.00
Employer Relief	2A (Not Employed)
Self-Insurance	No

For Months that the employee was not offered insurance because they were in waiting period

Offer of Coverage	1H (No offer providing minimal essential coverage)
Employee Share	0.00
Employer Relief	2D (Employee in a section 4980H(b) Limited Non-Assessment Period)
Self-Insurance	No

- Status for Employees in Limited Non-Assessment Period must match the time frame. (This is the Probation period).
- Status should reflect two lines. Example: if an employee was hired Feb 21st and you have a 90 probation period there status on the ACA tab should reflect as below:

1st Status Line:

Full Time Start Date 2/1/2024 End date 5/31/2024
Limited Non-Assessment Period box checked

2nd Status Line:

Full Time Start Date 6/1/2024 End Date 12/31/2100

Your limited non-assessment period may vary depending on the length that your new employees must wait to be eligible for insurance.

Common Reporting Issues:

- Coverage no Status
 - If the coverage is valid, there must be a valid status line
 - If the coverage is not valid, it must be deleted
- Status no Coverage
 - If the status is valid, there must be valid coverage information
 - If the status is not valid, it must be deleted
- Overlapping dates (status/coverage)
 - Dates need to be corrected if they are overlapping months or years
- Term status no term date
 - A term date should be populated for any employee with a termination status
- Hire, Rehire and term dates must be correct
 - This is how the counts are determined, so in order for the counts to be correct, the dates need to be correct (in chronological order)
- Hire and term dates cannot be the same
 - Should make the term date the next day
- Cannot have “- -” in name or address fields
 - Remove the “- -” and replace with a single dash
- Probation 2D, must have a status with limited non-assessment period checked off
 - If an employee has an employee relief code of 2D, which designates a probation period, there must be a line on the ACA Status screen with the same dates and limited non-assessment period checked off.
- Master employee must be chosen for ALL duplicate EE’s regardless if they are ACA eligible or not
- Birth Date must be a valid birth date for covered employee

Self-Insured Clients:

- Dependents must have a valid SSN or date of birth for Self-Insured client A valid SSN or date of birth must be entered for all dependents on self-insured clients

Third Party Sick Pay

Third party sick pay must be reported to the IRS and Social Security Administration during the same tax year that the employee received the disbursement. Employers receive a copy of each disbursement when the employee is paid by the third party vendor. We strongly recommend that third party sick pay be entered into payroll when received. At a minimum it should be entered on a quarterly basis in order for the tax liability to be reported and paid during the correct liability period. The third party sick pay carrier will send an annual reconciliation of benefits, but unfortunately this usually arrives to the client after the filing deadlines of the IRS. The annual reconciliation can be compared to payroll reports to ensure accuracy. If any of your employees received a disbursement from a third party sick policy in 2024, those disbursements must be posted to payroll no later than January 3, 2025. Make sure your third party sick pay vendor knows that you need the data to report on your payroll or to Harpers Payroll Services. Late reporting of income and tax deposits due to late receipt of information from your vendor is not an acceptable explanation to the IRS.

Please make sure that you are aware of your filing requirements when entering third party sick pay into payroll. There are several different methods accepted for reporting Third Party Sick Pay, and it will be necessary to know who will be responsible for issuing the W2 for the wages paid by the vendor. In some instances, the insurance vendor issues the W2's and the employer is only responsible for reporting the wages and paying the employer portion of taxes. This information is extremely important to ensuring accurate filings. Please contact your client service representative for assistance.

Bonus or Adjustment Payrolls

Please notify Harpers in advance of changes to your processing dates and any special instructions for additional payrolls. Due to the substantial increase in adjustment and bonus payrolls Harpers receives from clients in November and December, for Harpers to maintain the high level of client service that you are accustomed to, we require that all clients adhere to the following specifications:

Your normal payroll transmission time is a minimum of 2 business days before check date.

Due to time constraints, all adjustments must be completed before your last payroll of the year.

Remember, no matter how early you submit your adjustment or bonus payrolls; the check date activates the money movement from your account.

Note: Your bonus or adjustment payroll, either by itself or in combination with a payroll with the same filing period, may generate federal tax liabilities in excess of \$100K. The tax deposit becomes due the next business day after the check date. Please make sure all payrolls are submitted on time so tax deposits can be paid within federal and state guidelines.

Additional Year End Topics

Company Policy Changes

Changes to company policies that are intended to affect payroll in 2025 should be emailed to your Harpers Client Service Representative or customerservice@harperspayroll.com no later than November 17, 2024. These changes include but are not limited to: pay frequencies, insurance rate changes, time off policies, general ledger, 401k, etc. This gives our Client Service Team time to set-up and test changes before implementation. We cannot guarantee the implementation of policy changes for the first payroll of 2025 on requests received after November 17, 2024.

Banking Changes

It is important to notify Harpers timely of any banking changes for your company.

2025 Payroll Calendar

Your payroll calendar automatically updates each time you process payroll. A one year calendar is kept at all times. This means that as you process a check date, your scheduling rules set-up in our system will add a new check date one year in advance. Currently the calendar year 2024 has been produced through early November 2024. At the end of December, if you need to review the calendar set-up for 2025, please contact your Client Service Representative via email and the calendar will be printed and emailed to you. If changes are required or if known bonus/commission payroll dates are to be added, please note them on the calendar and return them to your Client Service Representative.

W2 Printing

We will produce multiple W2's for any employee that has paid taxes in more than one state or local jurisdiction during the year. All W2's will be filed with the Social Security Administration electronically for all clients.

New Hire Reporting Requirements

Please be aware of the importance of providing complete information when adding new hires, including social security number and home address information.

This information is crucial for meeting state new hire reporting requirements. All necessary data should be added when adding the employee to payroll. Missing data when initially adding the employee will result in non-compliance of new hire reporting.

Correcting W2 data

Harpers Payroll Service emphasizes the importance of verifying all employee demographic information for Year-End. Please review all employee information carefully. Fax and Autopay clients should send any changes with payroll before your last payroll of the year. Verifying employee Social Security Numbers is extremely important to the employee and you, the employer. Correct numbers as well as names will ensure accurate Federal (SSA), State unemployment reports, accurate records for your employees' retirement and will avoid possible penalties for you.

In the past we have received requests for W2c as result of an incorrect address. The Social Security Administration and the IRS does not want W2c for this change. They suggest you place the W2 in an envelope with the correct address.

If a W2c is required as a result of an incorrect name and/or SSN the Social Security Administration (SSA) only wants a W2c for the most recent incorrect year filed. SSA will automatically review their records and correct prior years.

Social Security Numbers (SSN) and W2 Reporting

To help protect employees from identity theft, the Internal Revenue Service (IRS) has announced it will truncate Social Security Numbers (SSNs) on copies of the Form W-2.

This includes copies that are provided to employees to report third party sick pay and group-term life insurance. SSNs, however, should **not be truncated** on the employer filing copies of the Form W-2.

The first five digits of truncated SSNs will be replaced with either an asterisk (*) or an X. For example, a truncated SSN would appear as either ***-**-1234 or XXX-XX-1234.

Since SSNs will be truncated on copies of the Form W-2, it is important that your employees' SSNs are accurate and up-to-date, as employees **will not have visibility to their full SSNs** once W-2s are printed and distributed.

You can verify that your employees' names and SSNs match the Social Security Administration's records using the free verification service that the SSA provides on their <https://www.ssa.gov/employer/ssnv.htm> or Harpers can submit your employee data electronically to SSA for SSN verification (\$25 per SSN with a Minimum Fee \$25).

According to the Internal Revenue Service (IRS) "General Instructions for Forms W-2" the following is noted:

"If you do not provide the correct employee name and SSN on Form W-2, you may owe a penalty unless you have reasonable cause. For more information, see Publication 1586, Reasonable Cause Regulations & Requirements for Missing and Incorrect Name/TINs (SSN)".

SSN: Social Security Number

- An SSN will NEVER begin with 000-##-####, 666-XX-XXXX or a range of 900-999-##-####
- The fourth and fifth digits will never be 00 (###-00-XXXX is an example of an invalid SSN) • The last four digits will never be 0000 (###-##-0000 is an example of an invalid SSN)

The IRS further states: "Do not accept an ITIN in place of an SSN for employee identification or for work. An ITIN is only available to resident and nonresident aliens who are NOT ELIGIBLE for U.S. employment and need identification for other tax purposes."

ITIN: Individual Taxpayer Identification Number

- An ITIN begins with a "9"
- Its format is similar to an SSN 9##-##-####

New 401(k) Contribution Limits for 2025

Key Takeaways

- The 2025 401(k) contribution limit increased to \$23,500, up from \$23,000 in 2024.
- Employees age 50 and older can contribute an additional \$7,500 for a total of \$31,000.
- Workers ages 60 to 63 have a new, higher catch-up limit of \$11,250.

Retirement savers contributing to a 401(k) plan can make larger contributions in 2025.

The Internal Revenue Service boosted the annual contribution limit for 401(k)s, 403(b)s, governmental 457 plans and the federal government's Thrift Savings Plan to \$23,500, up from \$23,000 in 2024.

The catch-up contribution limit for employees age 50 and older remains \$7,500 for 2025, for a total contribution of \$31,000.

Under a change made in the SECURE 2.0 act, employees between the ages of 60 and 63 have a higher catch-up limit of \$11,250.

Deferred Comp/Retirement Plan Box 13 box on the W2

(1) Any employee that contributes to a deferred compensation plan by payroll deduction will have the Retirement Plan box marked on their W2 automatically. This process is transparent to you, our client.

(2) If your company has a qualified pension plan that does not run through payroll, the Retirement Plan box should be marked for any individual that you have made contributions. This is not automated. It is the employer's responsibility to indicate what applies in these circumstances. The "retirement plan" box is located on the employees' miscellaneous tab in the employee module. Fax clients must notify us in writing before the W2's are printed if they need these boxes marked.

FUTA Tax

The FUTA tax rate is 6.0%. However, the effective FUTA tax rate is 0.6% after receiving the maximum credit of 5.4% for payments made timely to the States for Unemployment (6.0% less 5.4% credit = .6% rate). Some of this 5.4% credit will be reduced as a result of states that have not paid back loans by November 10, 2024. The following states have outstanding loans and will affect the FUTA Credit and therefore additional FUTA cost per employee will exist.

Using California as an example for a Credit Reduction state, the effective FUTA rate would be 1.5% [6% less (5.4% Maximum Credit - .9% FUTA Credit Reduction)] = 1.5%

STATE	FUTA CREDIT REDUCTION
California	.9%
New York	.9%

1094/1095C Printing

If you have opted in to our ACA Services, we will produce 1094/1095C Forms for any Full-Time Equivalent (FTE) employee regardless of whether or not the individual had health insurance withheld.

W2 Billing and 1094/1095C Billing

W2 billing will appear on the last invoice in January 2025.

1094/1095C billing will appear on the last invoice of the month printed.

In some instances, you may see the billing on an invoice before the receipt of the actual W2/1095C forms

Year-End Client package will include the following:

- One set of pressure sealed employee W2's.
- One set of employer W2's (four to a page).
- Includes Total Record (in lieu of Form W3).
- One set of pressure sealed employee 1095C.
- One set of employer 1095Cs
- One set of employer 1094C



We will begin shipping W2's and 1099's on or about January 8, 2025. W2 reprints will be processed after all first run W2's are completed. There will be an additional charge for W2 reprints

Wage reporting errors will require amendments to the IRS and State taxing agencies. Harpers will file amendments per the clients' request. The total of all W2's and W2C's must equal the total of all 941's & 941-X's filed for the calendar year. The smallest variance will generate a notice from the SSA and other tax agencies.

1099-NEC

The Internal Revenue Service (IRS) introduced a new form for contractors in 2022 called the Form 1099-NEC, which should be used to report non-employee compensation. **These amounts were previously reported in Box 7 of the Form 1099-MISC.** You will no longer report non-employee compensation on the 1099-MISC. You must use the new Form 1099-NEC to report this information. The IRS has rearranged the box numbers for reporting certain incomes on the Form 1099-MISC. Please keep this in mind as you fill out this form. You can access the new Form 1099-NEC on the IRS website <https://www.irs.gov/forms-pubs/about-form-1099-nec>

1099-NEC, 1099M and 1099R

Harpers can provide employee/employer copies of forms 1099-NEC, 1099M and 1099R. All information pertaining to 1099's must be submitted no later than your last payroll processing in December 2024. All 1099's will be sent directly to the client for distribution to the recipient.

Harpers Payroll Service does not provide Form 1096, Annual and Transmittal as these forms are filed electronically and therefore not required. If we are printing the recipient copies of form 1099-NEC, 1099M or 1099R, we will file those forms with the IRS on your behalf.

Taking time now to address above items will assure a smooth Year-End and avoid late tax deposits and penalties. Harpers Payroll Service will begin processing quarter end and Year-End returns after your last regularly scheduled check date for December 2024.

Best Regards,
Harpers Client Service Team