

Year-End Guide 2020

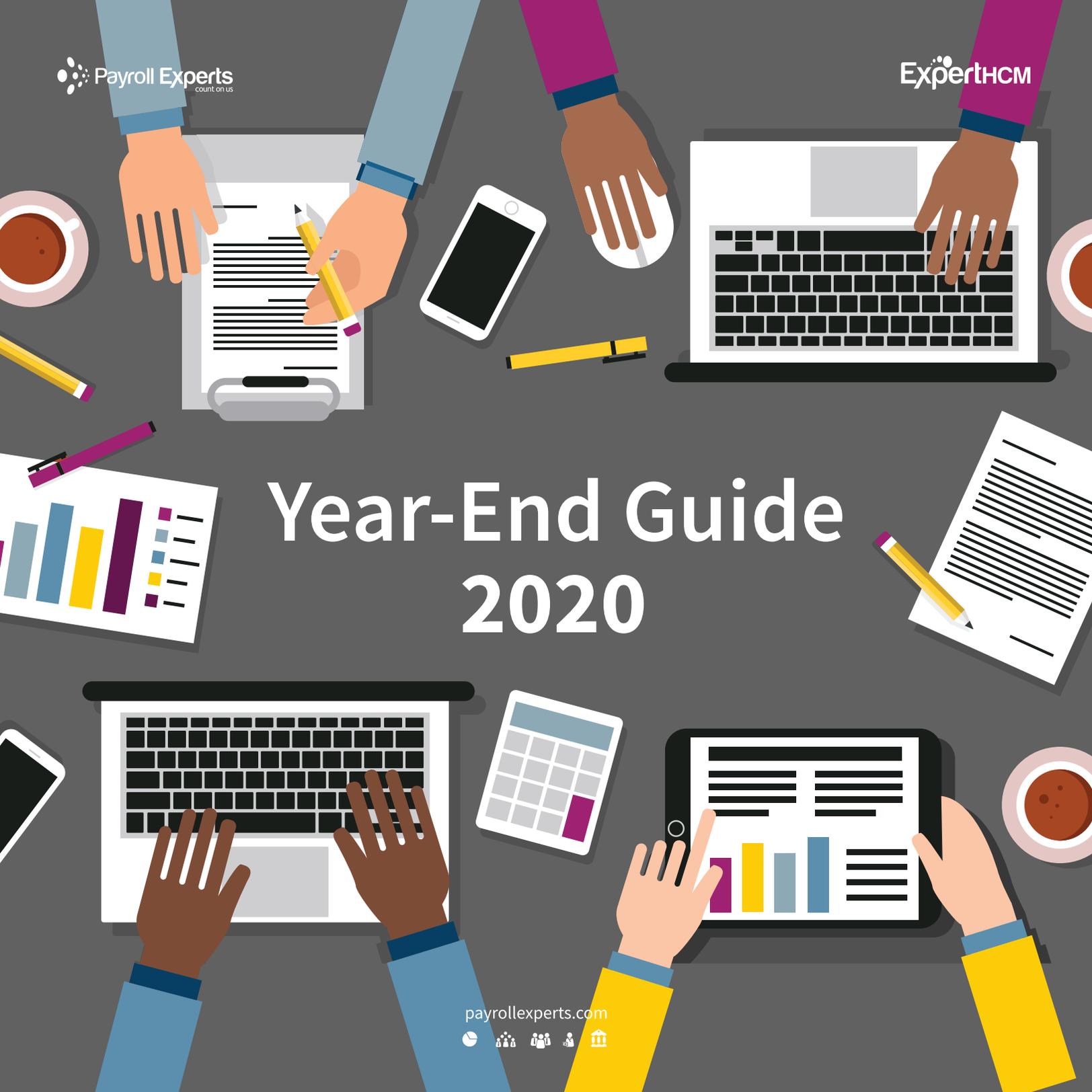


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A Message from Jason Roth, Founder & President

Dear Client,

2020 has been a story of overcoming challenges, unprecedented adaptation and a test of the human spirit. And while 2020 has been hard, it also revealed inspiring and heartwarming stories of compassion and fortitude, many of which I was able to hear firsthand from our clients.

Early in 2020, we revisited our company mission, or rather, what we call our passion. The result was: Our passion is in making our communities better, one organization at a time. The ability to serve you and our mutual partnership has meant the world to me.

It is because of this, that I put a freeze on any price increases in 2020. As a business owner myself, I know all too well the struggles this year has presented and while it's industry standard to perform annual price increases of 3-5%, this was not the time nor the place to add an additional burden, however small it may be.

With our clients' success in mind, we are proud to have completed numerous projects that benefit our collective group, including another SOC audit and adding a new primary ACH processing bank to strengthen our product offerings. Also, in spite of the challenges, our solution-minded approach, fair pricing structure, and "here to help" attitude has allowed us to welcome many new clients to our HCM platform this year which resulted in a growth of over 20% in the past 12 months.

Our award-winning platform developed by Kronos boasts tens of millions spent every year to continue enhancing the user experience, deliver new feature functionality and of course, keep up to date with all compliance requirements. Last count has over 300 developers and engineers working non-stop to help make your organization run smoothly and to ensure that you have the latest and best tools to keep your management team and entire workforce engaged.

As we prepare for 2021, I invite your thoughts and feedback on anything you feel could strengthen our platform or support and service model. As a privately held organization, we answer to clients, not shareholders, and your voice is strong, powerful and will be heard.

Your partnership means the world to Payroll Experts and to me personally! I have been so proud of my team here at Payroll Experts and I count myself very lucky to be a part of a group of truly caring and hardworking professionals and clients.



Jason Roth
President

2020 Year-End Important Dates and Deadlines

December 11th

If you want to process special payroll runs for year-end postings, fringe benefits, wage or tax adjustments, please notify Payroll Experts as early as possible. To add unscheduled payrolls to your calendar, please complete and return the "December 2020 Unscheduled Payrolls" form to your Client Support Expert by December 11th, 2020.

December 24th- Attention: Early Closure

Payroll Experts will be closing at noon, local time. Please ensure you have submitted your payroll for processing by 11:00 am to ensure timely processing.

December 25th & January 1st

Payroll Experts and banks will be closed. These holidays may affect your processing windows, direct deposit windows and timely delivery of your payroll. You may move your processing-day up or check-date back to accommodate the holidays. Please notify Payroll Experts in advance if you would like to change processing-dates, check-dates, or delivery-dates. You are welcome to pick up your payroll from your local office the same day it is processed.

With Your Last Scheduled Payroll of the Year (No later than December 28th)

Inform Payroll Experts of all employee demographic changes with your last payroll of the year. The final deadline for providing employee changes (e.g., name, address, or SSN) is December 28th. This is to ensure W-2s reflect accurate information. Changes made after December 28th may result in late tax payments and tax return re-run fees.

Payroll Experts will not accept responsibility for penalties incurred due to information updated after this deadline. If you know you will have information to report after December 26th, notify your Client Support Expert as soon as possible and request a delay of processing returns. Delaying quarterly return processing may result in late tax payments, but will not result in re-run fees.

January 6, 2021

All 2020 payroll changes must be submitted to Payroll Experts. Changes made after January 6th will require amended returns. Amendment fees will apply.

2020 Bonus Payroll Processing Requirements & Standard Payroll Processing Timelines

If you are running a bonus payroll that is less than or equal to your normal payroll; you may run within your normal processing window. There is no need to move your processing date forward.

Any Bonus greater than 10% of your normal payroll (Direct Deposit/Tax Liabilities/Trust) is required to run 96 hours prior to check date or to wire funds. The wire must be received by 10:00 am one day prior to check date. Your payroll will be processed upon receipt of wire by Payroll Experts. If wire is not received within this timeline your check date will be pushed to the next business day. Billing will be ACH debited.

All payrolls with a \$100,000 tax liability or greater are required to wire funds. A wire must be received by 10:00 am one day prior to check date. If wire is not received within this timeline your check date will be pushed to the next business day. Billing will be ACH debited.

Please be mindful of banking holidays as wires cannot be sent or received on these days.

All wires received will be billed a \$100 special handling/wire fee in addition to your normal billing.

If you have not already received your 2021 Unemployment Rate, you will be receiving it soon. Please forward immediately to your Client Support Expert so we can ensure updates are completed promptly.

Wire instructions:

Payroll Experts Wire Information:

Beneficiary Bank: Bank of America

Beneficiary Routing number: 026009593

Beneficiary Account number: 457024791948

Beneficiary Name: Payroll Experts ACH Account

Beneficiary Address: 7580 N. Dobson Rd, Suite 200, Scottsdale, AZ 85256

Standard, Non-Bonus Daily Processing Timeline Reminder:

All payrolls are due by 3:00pm local time for that days processing. We ask that you submit your out of state payroll by 2:00pm allowing us the time necessary to make delivery cut offs with our vendors.

We thank you in advance for your patience during this extremely busy payroll processing time of the year. Your adherence to our processing timelines and cutoffs is greatly appreciated as it allows us the opportunity to meet your payroll and year end needs in a timely manner.

December 2020

Unscheduled Payrolls

For each unscheduled December 2020 payroll, complete and return this page by 12/14/2020.

Company Name:

Company Number:

Payroll Check Date:

Pay-Period Start Date:

Payroll Process Date:

Pay-Period End Date:

If applicable, select any overrides for the unscheduled payroll.

Tax Override

- Calculate taxes on standard withholding & standard payroll frequency.
- Use standard tax overrides.
- For Federal & State tax overrides:

Federal Tax

- Use supplemental rate (flat 25% or 35% federal tax depending on YTD earnings)
- Use this Federal Withholding percent (or dollar amount):
- Override Federal Withholding to \$0.00

State Tax

- Use this State Withholding percent (or dollar amount):
- Override State Withholding to \$0.00

Frequency Override

Override "Tax Frequency" to:

- Annual
- Quarterly
- Semi-Monthly
- Weekly
- Semi-Annual
- Monthly
- Bi-Weekly

Direct Deposit Override

- Do not use any Direct Deposits. Print live checks only.
- If employee has multiple Direct Deposits, use the "Net Direct Deposit" only.

Earnings & Deductions Override

- Block scheduled earnings & deductions
- If blocking scheduled earnings & deductions, block deferred compensation (e.g., 401k)

Gross Up

For ease in calculating “grossed up” checks, please refer to the chart below.

Net Check	Gross Amount	Social Security	Medicare	Net Proof
\$50.00	\$54.14	\$3.36	\$0.79	\$50.00
\$100.00	\$108.28	\$6.71	\$1.57	\$100.00
\$200.00	\$216.57	\$13.43	\$3.14	\$200.00
\$300.00	\$324.85	\$20.14	\$4.71	\$300.00
\$400.00	\$433.13	\$26.85	\$6.28	\$400.00
\$500.00	\$541.42	\$33.57	\$7.85	\$500.00
\$600.00	\$649.70	\$40.28	\$9.42	\$600.00
\$700.00	\$757.99	\$47.00	\$10.99	\$700.00
\$800.00	\$866.27	\$53.71	\$12.56	\$800.00
\$900.00	\$974.55	\$60.42	\$14.13	\$900.00
\$1,000.00	\$1,082.84	\$67.14	\$15.70	\$1,000.00
\$1,100.00	\$1,191.12	\$73.85	\$17.27	\$1,100.00
\$1,200.00	\$1,299.40	\$80.56	\$18.84	\$1,200.00
\$1,300.00	\$1,407.69	\$87.28	\$20.41	\$1,300.00
\$1,400.00	\$1,515.97	\$93.99	\$21.98	\$1,400.00
\$1,500.00	\$1,624.26	\$100.70	\$23.55	\$1,500.00
\$1,600.00	\$1,732.54	\$107.42	\$25.12	\$1,600.00
\$1,700.00	\$1,840.82	\$114.13	\$26.69	\$1,700.00
\$1,800.00	\$1,949.11	\$120.84	\$28.26	\$1,800.00
\$1,900.00	\$2,057.39	\$127.56	\$29.83	\$1,900.00
\$2,000.00	\$2,165.67	\$134.27	\$31.40	\$2,000.00
\$2,100.00	\$2,273.96	\$140.99	\$32.97	\$2,100.00
\$2,200.00	\$2,382.24	\$147.70	\$34.54	\$2,200.00
\$2,300.00	\$2,490.53	\$154.41	\$36.11	\$2,300.00
\$2,400.00	\$2,598.81	\$161.13	\$37.68	\$2,400.00
\$2,500.00	\$2,707.09	\$167.84	\$39.25	\$2,500.00
\$2,600.00	\$2,815.38	\$174.55	\$40.82	\$2,600.00
\$2,700.00	\$2,923.66	\$181.27	\$42.39	\$2,700.00
\$2,800.00	\$3,031.94	\$187.98	\$43.96	\$2,800.00
\$2,900.00	\$3,140.23	\$194.69	\$45.53	\$2,900.00
\$3,000.00	\$3,248.51	\$201.41	\$47.10	\$3,000.00
\$3,100.00	\$3,356.79	\$208.12	\$48.67	\$3,100.00

2020/2021 Federal Limits & 2020 Tax and Wage Information

Type	2020	2021
401(k)	\$19,500.00	\$19,500.00
401(k) Catchup	\$6,500.00	\$6,500.00
Simple IRA	\$13,500.00	\$13,500.00
Simple Catchup	\$3,000.00	\$3,000.00
HSA Single*	\$3,550.00	\$3,600.00
HSA Family*	\$7,100.00	\$7,200.00
HSA Catchup*	\$1,000.00	\$1,000.00
OASDI Wage Base	\$137,700.00	\$142,800.00
FSA Contributions	\$2,750.00	\$2,750.00

*Please note, if you are utilizing ExpertHR to perform your benefit enrollment through HRBenefits and offer an HSA, you will need to update your HSA contribution limits within your benefit plan profiles.

2021 Tax and Wage Information

Federal Unemployment Tax (FUTA)

-The FUTA tax rate remains unchanged at 0.6% for 2021

Some states may require employers to pay additional FUTA amounts due to outstanding/delinquent loans.

Social Security and Medicare Tax

-\$142,800.00 is the 2021 wage limit for Social Security (OASDI)

There is no wage limit for Medicare.

An additional Medicare (HI) tax of 0.9% applies to wages in excess of \$200,000.00 for single taxpayers and \$250,000.00 for married filing jointly. There is no employer portion for this tax.

January

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February

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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April

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11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30		

May

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July

S	M	T	W	T	F	S	
					1	2	3
4	5	6	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30	31	

August

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8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30	31					

September

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December

S	M	T	W	T	F	S		
					1	2	3	4
5	6	7	8	9	10	11		
12	13	14	15	16	17	18		
19	20	21	22	23	24	25		
26	27	28	29	30	31			

Dates in white are non-banking days and therefore are not included in payroll processing days.

Dates in yellow, Payroll Experts closes at noon. Processing is required by 11am.

Dates in blue are days banks are open, but Payroll Experts will be closed.

○ Period End Date ✕ Processing Date △ Check Date