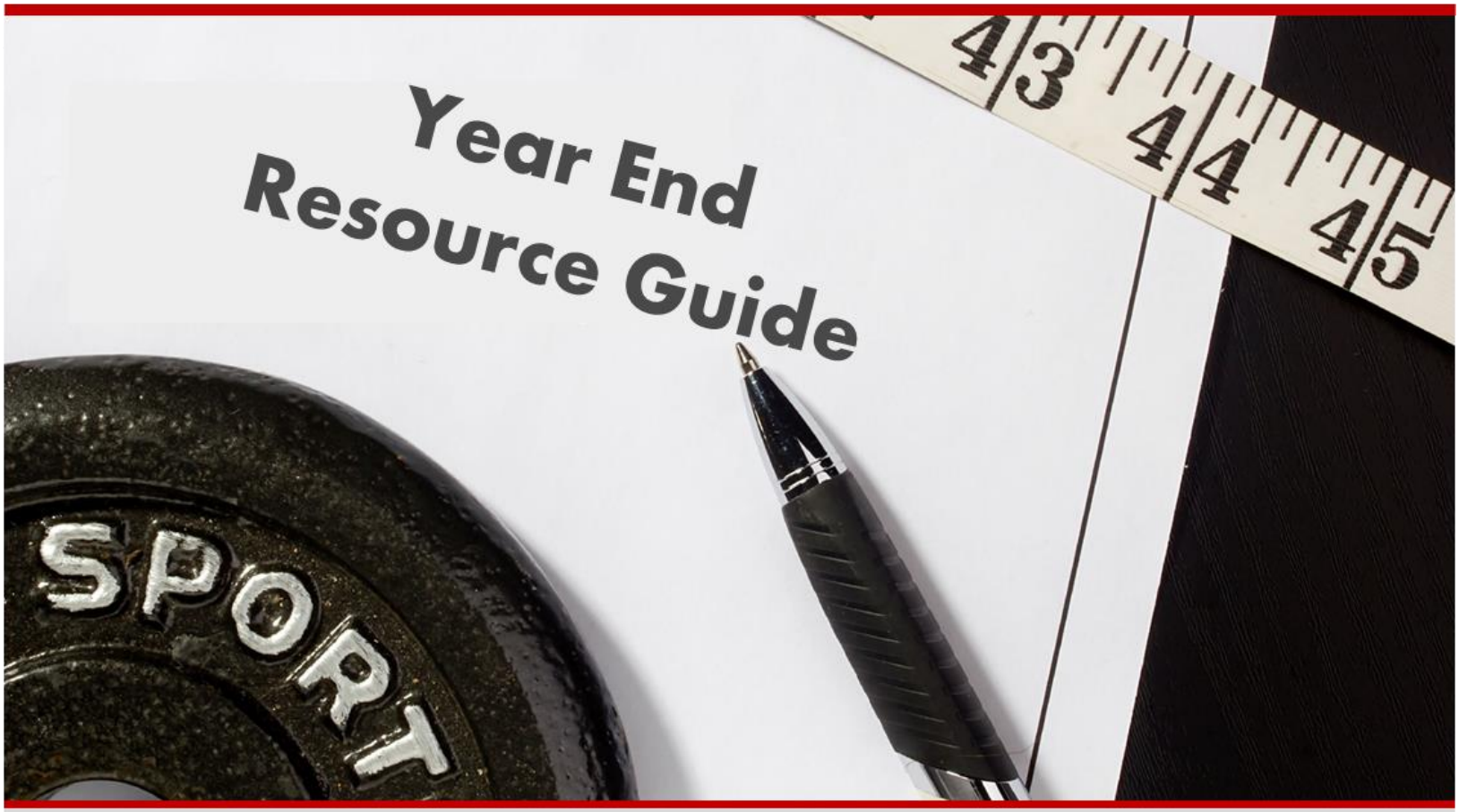
2014 YEAR END RESOURCE GUIDE

W E S T N A T I O N A L S E R V I C E C E N T E R

Picture Pefect Year End Resource Guide

Get a clear focus with ADP's Year End Webinars and *zoom in* your team for a *photo finish* in 2014.

Apply our *flash-tips* and information you learn from us and *develop* in preparation for a *picture perfect* new year.



ADP, Bank, UPS/Fed-Ex and 2015 Holidays

ADP	Bank	UPS	Fed-Ex	Date	Holiday
Y	Y	Y	Y	01/01/15	New Year's Day
N	Y	N	N	01/19/15	Martin Luther King Day
N	Y	N	N	02/16/15	Presidents' Day
Y	Y	Y	Y	05/25/15	Memorial Day
Y	N	Y	Y	07/03/15	Independence Day
Y	Y	Y	Y	09/07/15	Labor Day
N	Y	N	N	10/12/15	Columbus Day
N	Y	N	N	11/11/15	Veterans Day
Y	Y	Y	Y	11/26/15	Thanksgiving Day
N	N	N	N	11/27/15	Day after Thanksgiving
Y	Y	Y	Y	12/25/15	Christmas Day
N	N	Y	N	12/31/15	New Year's Eve
Y	Y	Y	Y	01/01/16	New Year's Day 2015

W-2 and Tax Processing Dates

Date	Processing Information
November 20 Thursday	Deadline for Quarters 1-3, 2014 adjustments to be included as amendments and reflected on annual returns. November 24th amendment blackout begins.
November 20 Thursday	Tax Downloads available for pick up
December 26 Friday	Begin processing Forms W-2 and 1099
January 8 Thursday	Quarter and year end close by 12:00 noon local time Last day to release W-2's (entire company)
January 14 Wednesday	Last day to process and release partial W-2 and 1099 adjustments by 5pm PST time. Blackout begins January 15 – No yearend forms produced until Feb 2nd.
January 26 Monday	W2s and 1099s to leave ADP facility for distribution by this date at the latest
January 19 Monday	W2s loaded to PRWC by end of day * • Puerto Rico W2s will be loaded at a later time
February 2 Monday	Begin producing Form W-2cs

February 2 Monday	Begin distribution of fourth quarter SODs in the Tax and Banking Portal
March 9 Monday	Begin distribution of annual SODs in the Tax and Banking Portal
March 30 Monday	Begin amendment process for prior quarter runs

Federal Tax Deposit Dates >$100,000

Date	Processing Information
December 31, 2014 Wednesday	Last day to process payrolls over $100,000 in liabilities with a check date of December 31, 2014
January 2, 2015 Friday	Deposit due for liabilities greater than $100,000 with a check date of December 31, 2014

Federal Tax Deposit Dates <$100,000

Date	Processing Information
January 6, 2015 Tuesday	Last day to process payrolls under $100,000 in liabilities with a check date December 31, 2014
January 7, 2015 Wednesday	Deposit due for liabilities under $100,000 with a check date of December 31, 2014

Wage Base Limits and Tax Percentages

Limits and Rates	2014	2015
Social Security Base Limit	$117,000	$118,500
Social Security Tax Rate	6.2%	
Medicare Wage Limit	None	
Medicare Tax Rate (FMED & FSUR)	1.45% plus .9% on wages over $200,000	
FUTA Wage Limit	$7,000	
FUTA Effective Tax Rate	.6%	

Deferred Compensation Limits

Description	System Code	2014	2015
401(k), 403(b), and 457 Plan Limit	4KP, 43B, 45G	$17,500	$18,000
Eligible YTD Gross Compensation	4KQ	$260,000	$265,000
Combined limit for all contributions	4KT	$52,000	$53,000
401(k), 403(b), and 457 Catch-up Limit	CU1, CU2	$5,500	$6,000
Puerto Rico pre-tax 401(k) Contribution Limit	4PT	$15,000	
Puerto Rico 401(k) Catch-up Limit	4PC	$1,500	

HSA Limits

Description	2014	2015
Contribution Limit: Self-only HDHP coverage	$3,300	$3,350
Contribution Limit: Family HDHP coverage	$6,550	$6,650
Catch Up Contribution	$1,000	$1,000
Minimum Deductible: Self-only coverage	$1,250	$1,300
Minimum Deductible: Family coverage	$2,500	$2,600
Maximum out of pocket: Self-only coverage	$6,350	$6,450
Maximum out of pocket: Family coverage	$12,700	$12,900

Helpful Web Sites

www.adp.com	https://viproom.adp.com
http://westnsc.adp.com	http://www.adp.com/tools-and-resources.aspx
http://www.adp.com/health-care-reform/	https://facs.adp.com/public/index.htm
http://www.adp.com/tools-and-resources/adp-research-institute/insights.aspx	http://www.healthcare.gov
http://www.dol.gov/	www.dol.gov/ebsa/healthreform SmartCompliance@adp.com or (855) 339-8760 (ADP ACA Solutions)

Payroll Checklists

Company-Level Task	Year-Round Guide
___ Schedule quarterly / year end special runs.	
___ Replenish check stock and envelope inventory.	
___ Request new or special reports you need for quarter end /year end.	
___ Process returned 3rd Party checks and checks returned by employees.	• About the Negative Wages Report on pages 4-63 to 4-64
___ Review your tax IDs and verify the following: • Your tax IDs are complete and set up correctly in the payroll application. • There are no Applied For tax IDs. • There are no inactive taxes & IDs. • To delete an inactive tax ID, submit an Authorization to Delete/Finalize a Tax form to your Client Service Consultant. • Tax rates are accurate. ___ Review updated SUI tax rates and taxable wage limits for the current quarter. ___ Review updated State Disability Insurance and Voluntary Disability Insurance tax rates and taxable wage limits for the current quarter. ___ To change a tax ID, contact your Client Service Consultant.	• About Tax Jurisdictions & Rates Report – Pages 4-49 to 4-52
___ Submit tax ID and rate changes to your Client Service Consultant so any changes will be reflected on you quarter filings. • Q1 Deadline: March 20th • Q2 Deadline: June 19th • Q3 Deadline: September 18th • Q4 Deadline: December 18th	
___ Reset applicable special accumulators by contacting your Client Service Consultant.	
___ Plan and coordinate Open Enrollment, if applicable.	

Payroll Checklists, con't.

Company-Level Task	Year-Round Guide
___ From Quarterly Audit Reports, verify that the following are set up accurately: • Company's legal name and address. • Verify that they print accurately on year end forms. • All FEINs. • The taxation of earning and deduction codes. ***New 2013*** taxation method of Puerto Rico Christmas bonus. • Earning and deduction codes print in the correct box. • The appropriate earning and deduction codes are excluded from printing in the W-2 summary section of Form W-2. • Roll-up earning and deduction codes roll up and print correctly in the summary Section of Form W-2. • Box 12 and 13 are marked accurately on Form W-2. • The appropriate codes and amounts print to boxes 15a and 15b on 1099-MISC. • Earnings are accurately distributed to box 7 of Form 1099-MISC, and the correct IRS code prints. • 1099 R - New distribution code added to box 7. D - Annuity payments from life insurance contracts that may be subject to tax under section 1411. • 1099 R – Support Box 10 for amount allowable to IRR within 5 years: The amount of distribution to an in-plan Roth rollover (IRR) made within the 5-year period beginning with the first day of the year in which the rollover was made. • Box 12 DD reports – Cost of employer-sponsored health coverage. Load amount for current year reporting. • Box 12 EE reports – Designated Roth contribution under a government section 457(b) plan • Box 14 - Review items to print in box including IIM and IMP for New York ***Note***: You will double check these items after you receive your sample Forms W-2, 1099-MISC, and 1099-R.	• Printing the Company Name and Address on Form W-2 on page 2-3 • About the Taxation Analysis Reports on pages 4-42 to 4-48 • About the W2 Preview Report on pages 4-11 to 4-15 • About the 1099M Preview Report on pages 4-25 to 4-27 • About the 1099R Preview Report on pages 4-31 to 4-33 • Printing Earnings and Deductions on Form W-2 on pages 4-42 to 4-48 • Overflow Forms W-2 and Rolling Up Codes to Print in the Summary Section on pages 2-15 to 2-17 • Understanding the Box 13 Check Boxes on pages 2-6 to 2-8 • Completing Form 1099-MISC on page 3-3 to 3-5 • Determining Whether a 1099-R Distribution Code is Assigned to an Earning on pages 3-11 to 3-12 • IRS Codes for box 12 on page 2-24 to 2-26 • Box 14 on page 2-8
___ Work with your plan administrator to determine the conditions under which to mark the **Retirement** box on Form W-2.	• Retirement Plan Box on page 2-6 • About the W2 Preview Report page 4-11 to 13
___ Review how and when your PTO plans roll.	• About the PTO Roll Logic Report on pages 4-64 to 4-70
___ Update new company-level deduction amounts and limits for the coming year.	

Payroll Checklists, con't.

Employee-Level Task	Year-Round Guide
___ Confirm that employees are set up with the correct Employee Type. To make corrections, contact your Client Service Consultant.	• About Employee Type Values in VIP Room/Tool Box Job Aid-ProBusiness Payroll Employee Types
___ Correct the errors listed on the W2/1099 Error report. After the errors are corrected and the master files have been transmitted to ADP, request updated error reports.	• About the W2/1099 Error Report on page 4-40 to 4-41
___ Verify employee names and addresses. ___ Verify social security numbers and resolve errors. • Request the Enumeration Verification file. Send it to the Social Security Administration for verification of employees' social security numbers. • If a social security number was changed in the payroll application, regardless of the reason for the change, notify your Client Service Consultant. Your Client Service Consultant will determine if an amendment is required.	• Correcting Employee Addresses on page 2-5 • About the W2/1099 Error Report on pages 4-40 to 4-41 • About Social Security Numbers and Employee Names on page 1-7 to 1-8 and in VIP Room/Tool Box Job Aid-About Social Security Numbers
___ Verify that employees are set up in the correct state and locality. In particular, review employees who moved from one state to another during the tax year. Verify that the appropriate wages are set up for each state.	• About the W2 Preview Report on pages 4-11 to 4-15 • About the 1099M Preview Report on pages 4-25 to 4-27 • About the 1099R Preview Report on pages 4-31 to 4-33 • About the Negative Wages Report on pages 4-63 to 4-64
___ Review tax-exempt employees. Update their information, if necessary.	• About Tax Exemption in VIP Room/Tool Box Job Aid-Exempting Employees from Withholdings in Payroll System
___ Each quarter/year end, correct negative wages. Must be completed prior to releasing W2s. ***Note***: Correct negative FICA amounts for tipped employees. ___ Submit adjustment runs to process amendments, if necessary.	• About the Negative Wages Report on pages 4-63 to 4-64

Payroll Checklists, con't.

Employee-Level Task	Year-Round Guide
___ Post quarterly / yearly third-party sick pay payments including: • Third-Party sick pay payments • Group term life (if you do not use the GTL module in the payroll application) • Taxable educational assistance • Adoption assistance ___ Fringe benefits, including the following: • Moving Expenses • Stock • Personal use of company car • Non-accountable business expenses • Petty cash payments • Awards	• Third-Party Sick Pay Box on page 4-20 to 4-22 • About Sick Pay in VIP Room/Tool Box Job Aids- 1. Processing Third Party Sick W2's by ADP 2. Processing W2's by Vendor 3. Processing FUTA/SUTA for Third Party Sick • About Group Term Life Insurance in VIP Room/Tool Box Job Aid-Setting Up GTL in Payroll System
___ Update employee-level deduction amounts and limits. ___ Correct excess employee contributions to 401K, 403(b), and SIMPLE plans. ___ Correct excess employee contributions to health care and dependent care spending accounts	• About Limits on page A-3
___ For supplemental pay & deduction codes that appear on the corresponding report, verify the following at Year End: • For codes that you will use next year, do the following: ___ Review limits. ___ Review the limit period. • To remove terminated employees from a limit report, delete their corresponding limits • Remove codes that are not be used.	• About the Supplemental Pay Limit Report on pages 4-59 to 4-62 • About the Deduction Limit Report on pages 4-53 to 4-58 • About Time Periods on pages A-4
___ Notify employees to update their W-4 information. ___ Notify employees to update their W-5 information.	• About Form W-5 in VIP Room/Tool Box Job Aid
___ Verify the following Form 1099-R information: • Assign a 1099-R distribution code to all employees who are assigned an Employee **Type** of **R** (Retiree). • Verify that the value in the **Total Dist** box in the Employee Master window is correct.	• About the 1099R Preview Report on pages 4-31 to 4-33 • Available Employee Type Values in VIP Room/Tool box job Aid-Employee Type

Payroll Checklists, con't.

Calendar-Level Task	Year-Round Guide
___ Review the remaining 2013 payroll processing calendar dates. • Verify the accuracy of the Holidays and Frequencies.	• Sample of the Payroll Calendar Report Listing on page 4-10 • About Frequency Codes on page A-5 to A-6
___ Review ADP and bank holiday, tax processing, federal tax deposit, and year end dates.	• Year-end Processing Dates on page 3 of this book
___ Schedule year end adjustment runs to coordinate with federal tax deposit dates.	• Federal Tax Deposit Dates on page 4 of this book
___ Review the 2014 payroll processing calendar. Verify the following: • Pay period beginning and end dates are correct. • No transmission date is on a weekend or ProBusiness holiday. • No delivery date is on a weekend or client holiday. • No check date is on a weekend or bank holiday. • There are enough days between the transmission and check date for the ACH to process. Taking bank holidays into consideration, ADP, West NSC recommends at least 48 hours. • Payrolls contain the appropriate exception codes. • If you changed a check date, pay period beginning date, or pay period end date, update the associated frequency codes. • Indicate how many holiday hours to generate on the appropriate payrolls. • If you are set up with forward accruals, indicate the accrual percentage for the appropriate payrolls. • Verify that the GL period for each payroll is correct.	• Sample of the Payroll Report Calendar Listing on pages 4-7 to 4-10 • About Exception Codes on page A-7 • About Frequency Codes on pages A-5 to A-6
___ Send calendar changes or additions to your Client Service Consultant.	
___ Schedule 2014 special runs.	
___ Schedule accumulator rolls with your Client Service Consultant.	

Payroll Checklists, con't.

Forms W-2, 1099-MISC, or 1099-R Task	Year-Round Guide
___ Determine the sort method for employee copies. Request a custom sort method, if necessary.	• Sorting Form W-2s on page 2-18 • Sorting Forms 1099-MISC and 1099-R on page 3-18
___ Verify the delivery method and location. **Reminder**: *Split Wrap of W2s available* ___ Determine how you will internally distribute forms to active employees. ___ Determine how you will externally distribute forms to terminated employees. ___ Tell the mail room staff how to distribute the following: • Forms to terminated employees. • Undeliverable or returned forms.	• Split Wrap feature contact your CSC and see page 2-19 • Delivering Form W-2 on page 2-20 • Delivering Forms 1099-MISC and 1099-R on page 3-19
___ Schedule the date to release forms. Sign the W-2 and 1099 Release Verification Forms and email them to your Client Service Consultant. ___ If you do not want to participate, Opt out of Tax Partner Program before release of W2s	• Releasing Form W-2 on page 2-18 • Releasing Forms 1099-MISC and 1099-R on page 3-18
___ When you receive your forms, complete the W-2/1099 Delivery Verification form and email it to your CSC.	• W-2/1099 Delivery Verification on page 2-20 to 2-21
___ Unload the CD-ROMs and view your forms.	• Viewing Your Form W-2 on page 2-22 • Viewing Your Forms 1099-MISC and 1099-R on page 3-21
___ Use five or six employee forms to verify that items print accurately on the appropriate year end form. ***Note***: You previously used your audit reports to verify that these items were set up correctly in the payroll application.	• Use the list of items provided in "use your audit reports to verify that the following are set up accurately in the payroll application" on page 8-9 of this book
___ After Year End, schedule a meeting with Client Service Consultant to discuss lessons learned during the year end process. Topics to discuss might include: • W-2s (sorts, delivery and accuracy) • Setup of earnings, deductions and accumulator rolls • Calendars • Audit reports and wage adjustments	

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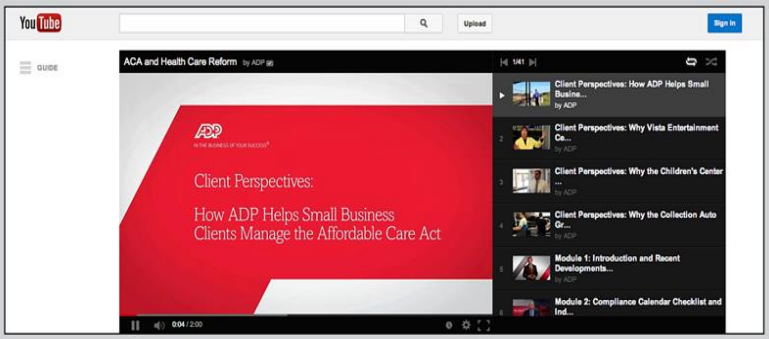

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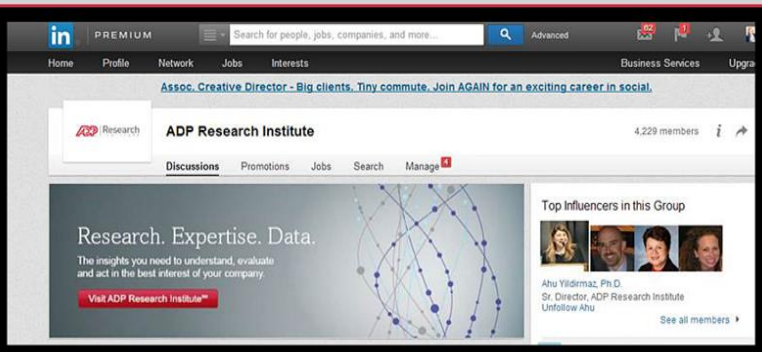

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