

YEAR-END CHECKLIST

FOR INDEPENDENT CONTRACTORS

Reconcile bank accounts through November and December before processing 1099's. Outstanding vendor checks and should be researched.

Review vendors for correct TIN's and addresses.

Review amounts paid to independent contractors and service providers for total payments of \$600 or more during the calendar year.

E-file or paper file (less than 250) 1099's by 01.31.20.

FOR PAYROLL

Reconcile payroll bank accounts through November and if possible December before processing W-2's. Outstanding payroll checks and electronic payments should be researched.

Pay Bonuses through payroll. Bonus payments are taxable wages.

Review taxable fringe benefits:

- Group-term Life insurance in excess of \$50,000. W-2 Box 12, Code C
- Dependent Group-term Life insurance, if the policy exceeds \$2,000. W-2 Box 12, Code C
- Employee use of company vehicles. W-2 Box 14
- Company paid accident and health insurance for 2% S-Corp owners. Only include in Federal Wages, Box 1, and State Wages, Box 16, and in Box 14 on the W-2.

Review YTD employee social security taxable wages to make sure they don't exceed the 2019 limit of \$132,900.00.

Review YTD employee Medicare wages for any employee that had taxable wages greater than \$200,000 to make sure the additional Medicare tax of .9% was withheld.

Review employee's names and social security numbers. They should match the Social Security Card. IRS could penalize you for incorrect names and/or social security numbers.

Make any address changes for current and terminated employees to ensure the W-2 will be delivered to the correct address.

Make sure all employees participating in the company retirement plan will have Box 13 check marked on the W-2.

Reconcile YTD State tax liability to payments made and to the W-2's.

Create a worksheet to reconcile all 4 Form 941 totals to Form W-2/W-3. Reconcile any differences through the 4th quarter 941 before mailing it to the IRS.

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Make sure the FUTA Wages equal SUTA Wages. FUTA and SUTA wages should match the total Medicare wages for the year.

Prepare Form 940 and make sure all payments have been made for the year.

Prepare and submit 4th quarter SUTA reports and make payments.

Process W-2/W-3 once all reports have been reconciled.

Mail W-2's to employees by 01.31.20.

Federal and State copies of the W-2's: E-file W-2's with SSA and State DOR by 01.31.20 or paper file W-2's (less than 250) to SSA and State DOR by 01.31.20. Send the package certified mail.

ACA Reporting if you are an applicable large employer with 50 or more FTE's. Prepare Form 1094-C and 1095-C's for all employees. The 1095-Cs are due to the employees by 01.31.20.

The 1094-C and the employer copy of the 1095-Cs are due to the IRS by 02.28.20 if paper filed (less than 250) or e-filed by 03.31.20.

For more information, visit:
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