

OURERC A LOCAL BUSINESS NEWSLETTER

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END OF YEAR REMINDERS

Open Enrollment is coming to an end. Remember that we are moving to new carriers for certain lines of insurance starting January 1, 2018. Expect new Medical, Dental, and/or Vision insurance cards in the mail in early January.

Are you interested in any End of Quarter or End of Year Reports? If so, please notify your payroll specialist so they can work on those as soon as the year is closed.

Please remember to update addresses to help ensure W-2 delivery.

Notify your payroll processor of any adjustments or additional pay to be made to end of year wages.

Submit all bonuses a minimum of 3 days in advance to the payroll department.

ERC Holiday Hours

With holiday season quickly approaching, please ensure that you have discussed payroll deadlines with your payroll processor. There are various dates for bank closures that will need to be taken into consideration when running payroll. It is also important to keep in mind any off-cycle payrolls, such as holiday bonuses. Below is a list of ERC holiday hours. If you have any questions, please contact your payroll specialist in the ERC Payroll department.

Christmas Closings

December 22nd and 25th— ERC will be closing at 12pm on Friday, December 22nd and closed all day Monday December 25th in observation of the Christmas Holiday.



New Year's Closings

December 29th and January 1st—ERC will be closing at 12pm on Friday, January 29th and all day Monday, January 1st in observation of the New Year's Holiday.

Open Enrollment Update

As crazy as this time of year is, it is always exciting to visit our clients and their employees. It is such an honor to work with such caring employers who understand the importance of offering benefits to employees and afford the time and energy it takes to educate them on the generous offerings available.

Open Enrollment is coming to an end and we would like to remind everyone that enrollment forms are due. It takes time to get all of the individual elections compiled and submitted to the insurance carriers so that the members can receive their ID cards. As it has been every year, the insurance begins on 1/1/18 so the carriers mail out all of the ID cards beginning on 1/1/18. In order to receive the card as soon as possible, everything must be in the carriers' databases by 12/15/17.

If members are waiving coverage (declining to have insurance) for 2018, waivers must be received as well. The ACA requires employers to keep this information on file in the event there is a challenge by the member about coverage being offered. If we do not receive any communication from a member who does not currently have insurance through ERC in 2017, their non-response will be considered a waiver of coverage for 2018.

Likewise, if a member who has coverage with us in 2017 fails to respond, active coverage will be migrated to the closest matching plan and all members enrolled for 2017 on the active plan will be enrolled in 2018. This is applicable to out of area members as well.

Holiday Savings Account Enrollment

Please ensure all employees complete a new holiday savings account form for 2018. The holiday savings account does not roll over from year to year.

Minimum deduction amounts are annotated at the top of the form. There is no maximum that employees are allowed to deduct.

All employees are eligible to enroll in this perk. If employees choose not to

participate, ERC requires that they complete the form with a declination to keep on file.

For questions regarding the form please contact your payroll processor at 719-448-9009.

Holiday Savings checks for 2017 have all been distributed. If you or an employee have not received your check, or have had any issues with your check please contact your payroll processor.

Address Updates for W-2s

In order to help ensure W-2 Forms are delivered correctly, please remind employees to make sure that ERC has the most up-to-date address on file.

Addresses must be updated by December 31st in order for them to

take effect for the 2017 W-2 Forms.

If employees do not receive their W-2 Form, they may check with ERC to see if it was returned to our offices. If the form was returned, they may stop by to pick it up Monday—Friday, between 7:30am—4:00pm.

W-2 Forms will be mailed out no later than January 31st, 2018.

Discretionary vs Non-Discretionary Bonuses

It is almost bonus time for many employers and that means navigating the differences between discretionary and non-discretionary bonuses.

A discretionary bonus means that the bonus is not tied to anything contractual—it is given solely at the discretion of the employer; the amount, the requirements, and the timing are not disclosed in

advance. To determine what the tax liability is for discretionary bonuses, contact your payroll specialist for an accurate calculation.

A non-discretionary bonus can be thought of as an incentive payment. It is a bonus that is tied directly to a contractual agreement or is related to work completed. This kind of bonus must be taken into

account for overtime and is required to be taxed at the W-4 rate.

All bonuses are subject to all federal taxes.

If you are concerned about bonus amounts for employees, please contact your payroll specialist to help you accurately calculate the tax rate and take home amounts. If you would like to ensure that your employees receive a

specific amount of 'take-home' bonus pay, your payroll specialist can also assist you in determining the total pre-tax amount that should be paid.

For more information regarding IRS regulations on supplemental wages, check out this website:

https://www.irs.gov/publications/p15#en_US_2017_publink1000202352

Exempt W-4 Status Employees

For most people, W-4 elections will roll over from year-to-year unless the employee completes a new form with different deductions. However, for those employees who claim "Exempt" on their W-4, they are required to complete a new form every year. If they fail to complete new forms, the IRS requires employers to automatically default their filing status to "Single and

0" which is the highest tax deduction possible.

The 2018 W-4s are not yet available, but all clients will be notified once they are.

Please inform your employees of this requirement and contact your payroll processor if you have any questions or need further details.

EXEMPT

Bonus Check Procedures

In an effort to streamline the distribution of bonus checks, we ask that you provide us adequate time to process these funds and calculate the individual checks correctly.

Please allow us a minimum of three business days prior to the check date to process all bonus checks in order to engage in an error free process.

Please keep in mind that if you intend bonus checks

to be reflected on 2017 taxes, the checks must be processed and dated with a 2017 date; we cannot backdate a check.

If you plan to distribute bonus funds without processing them through ERC, we cannot process them for tax purposes.

Thank you in advance for your assistance in this process.

If you have any questions please contact your payroll processor.

W-2 Adjustments

If you or any employees have any non-cash income, any fringe benefit income that needs to be reported on a W-2, or any adjustments—moving

expenses, employer paid parking, third party sick pay, company vehicles, service awards, gifts to be taxed or qualified transportation fringe

benefits—please notify your payroll processor as soon as possible to ensure they are reported properly.



IRS Statement on 2018 Filing Season

The IRS has not yet announced a date that it will begin accepting individual tax returns for the 2018 tax filing season. At the present time, the IRS is continuing to update its programming and processing systems for 2018. In addition, the IRS continues to closely monitor potential legislation that could affect the 2018 tax season, including a number of “extender” tax provisions that expired at the end of 2016 that could potentially be renewed for tax year 2017 by Congress.

The IRS anticipates it will not be at a point to announce a filing season start date until later in the calendar year. The IRS will continue to work closely with the nation’s tax professionals and software

community as preparations continue for the 2018 tax filing season. Speculation on the Internet that the IRS will begin accepting tax returns on Jan. 22 or after the Martin Luther King Jr. Day holiday in January is inaccurate and misleading; no such date has been set.

Refund Timing

In addition, the IRS cautions taxpayers from relying on misleading refund charts on the internet that project tax refund dates. Any speculation about refund dates in 2018 is premature. In addition, these refund charts can overlook many different factors which affect the timing of tax refunds, ranging from the accuracy of information on the

return to whether a taxpayer files electronically. In addition, the IRS and state revenue departments have increased their security protocols against identity theft and refund fraud, which also can affect the timing of federal and state refunds.

The IRS issues more than nine out of 10 refunds in less than 21 days. However, it’s possible your tax return may require additional review and take longer. [Where’s My Refund?](#) has the most up to date information available about your refund. The tool is updated no more than once a day so you don’t need to check more often. If you use a mobile device you can download the IRS2Go app to check your

refund status.

E-File coupled with Direct Deposit remains the fastest way for taxpayers to receive their refunds.

Due to law changes first affecting last year’s returns, the IRS cannot issue refunds for tax returns claiming the EITC or ACTC before mid-February. This law requires the IRS to hold the entire refund — even the portion not associated with the EITC or ACTC. However, there is no need to wait to file such returns since the IRS will process them to the point of refund and then begin refund release when permitted by law.

<https://www.irs.gov/newsroom/irs-statement-on-2018-filing-season-start-date>

A Note From Mark and Deborah Lovejoy: In the world of business, we all face competitors. In fact, at ERC we welcome honest competition. Our confidence in our products and our local, hands-on, service model enables us to readily compete and win Clients year after year. Unfortunately, ERC has received several complaints from current Clients in the last few weeks regarding a certain national competitor desperately resorting to misrepresentation and slander in order to meet quotas and usurp our customer base. We cannot condone unethical business practices facilitated by large conglomerates in order to mislead and intimidate our Clients. Please do not hesitate to contact our offices if these sales tactics are utilized on your organization. We will gladly provide factual documentation to not only counter this misinformation, but also reiterate our impressive retention rate and our growth patterns. Thank you, in advance, for joining us in a commitment to ethical business practice.

Electronic W-2 Instructions

Want to get your W-2 electronically? Make sure to register by January 2, 2018 with SOLV. If you registered for an electronic W-2 for the 2016 tax year, you do not need to register again. You can simply log on and activate your account for the 2017 tax year. If you elect to receive your W-2 via email, those will be sent out by January 31, 2018. Please follow these instructions to set up your SOLV account and access your electronic W-2:

How to receive your W-2 by email:

1. Go to <http://www.w2copy.com> and click "EW2 & 1095-C Registration and Retrieval"
2. Click the blue button that says "Register Here".
3. Enter all data fields marked with an asterisk (*).
4. Enter in your company code at the bottom: IW2276
5. Select the box "I would like to receive an eW2 for this company code" and submit.
6. Check your email. When you receive a confirmation email from w2@billingdoc.com, click the link within the email to complete the registration process. If you do not receive or respond to the email, your W-2 will be mailed to you.

By January 31, 2018, you will receive an email telling you that your eW2 is ready to retrieve. If you encounter any problems with registration, please email w2@billingdoc.com

How to open your eW-2:

1. Click the link in your eW2 retrieval email OR go to <http://w2copy.com> and click "Retrieve eW2".
2. When prompted, enter your company code: IW2276, the username and password that you created upon registering.
3. The second time you are asked for a password, enter your social security number (without hyphens).

Please note that ERC does not have administrative privileges to this website and cannot assist with retrieval of usernames and/or passwords. If you have any problems you must contact the SOLV call center available after February 1 for assistance (208) 453-8902.

Even if you do not sign up to receive your W-2 via email from SOLV, you still have the capability of retrieving your W-2 on the MyERC portal. Please note that if you have an address change, that must be updated with ERC prior to January 31st in order for that to be reflected on your mailed W-2.

