



KROST

NEWS UPDATE

Dear Client,

Form W-2 and payroll returns provide information to your employees and various government agencies. The information reported on those filings must be complete and accurate. In order to help you with this process, we have listed some important considerations:

1. You are required to file copies of Form W-2 and W-3 with the Social Security Administration by January 31. The January 31 filing deadline also applies to certain Forms 1099-MISC reporting non-employee compensation such as payments to independent contractors. The January 31 deadline is for employers to furnish copies of these forms to their employees remains unchanged.
2. Please contact your payroll service provider for the cutoff date to report changes to your payroll.
3. All employers filing wage reports with the California Employment Development Department are required to electronically submit employment tax returns, wage reports, and payroll tax deposits. More information can be found on the [CA EDD website](#).
4. It is essential that any payroll information pertaining to employee or employer taxes be submitted to your payroll service. If a payroll tax deposit is due, it will need to be made no later than January 6, 2021 (for payroll dates scheduled on December 31) if you are a semiweekly depositor. If your pay date is on an earlier date, please check with your payroll service provider on the deadline to deposit taxes if you are not enrolled in autopay with them. If the information is received late, your payroll tax returns would not be accurately processed, and you may incur penalties due to late payroll tax deposits.
5. All quarterly changes, such as voided checks, pre-written (manual) checks, 401(k) changes, third-party sick pay or any other changes must be sent to your payroll service company so they can supply you with appropriate tax deposit information to close out your 2020 payroll data.
6. Fringe benefits such as life insurance, health insurance, and personal use of company-provided vehicle may need to be included on an employee's W-2. You may be required to report the total value of certain employer-sponsored health benefits on employees' W-2 forms.
7. Please complete the [vehicle questionnaire](#) for all company-owned vehicles, using estimated information for December. Return it to our office if you would like us to calculate the taxable fringe benefit to be submitted to your payroll service before the end of the year. We must receive the completed form no later than December 11, 2020, for timely calculation.

8. It is of the utmost importance for restaurant clients with tipped employees to make sure the total tips and allocated tips reported meet the requirements prescribed by the IRS. It is your responsibility, as the employer, to verify this prior to the printing of the W-2 forms for your company. If you are in doubt, please call our office immediately. Tip information must be submitted to your payroll service before forms W-2 may be processed.
9. You will need to provide your payroll service with a schedule of employees subject to pension, profit-sharing, or 401(k) plans so that the correct box may be checked on the employees' W-2 forms.
10. Make all necessary changes to names, addresses, and social security numbers. Also, have every employee verify their social security number and address using their last paycheck stub.

Please be advised that this list is not meant to be comprehensive or provide company-specific advice. Please contact our office if you have any questions.

[Download the following letter here](#)

Sincerely,

KROST CPAs & Consultants

Please note: Our offices will be closed from Friday, December 25, 2020 – Sunday, January 3, 2021. Normal office hours will resume on Monday, January 4, 2021. We will have limited staff working on a case by case basis, which will need to be pre-arranged.

Contact us if you have any questions about payroll.
Our experts are here to assist.

[CONTACT US](#)

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