

2023 YEAR-END CHECKLIST

Obsidian HR is here to help you move smoothly through all the moving pieces of year-end. Please review the checklist below to get ready for a successful year-end. For more information, check out our [Year-End Resource Guide](#).

CHECK YOUR EMPLOYEE AND EMPLOYER DATA BY DECEMBER 8, 2023

- Employer Data:** Confirm state and federal EIN, company name, address, unemployment account numbers.
- Employee Data:** Ask employees to confirm their name, address, and social security numbers. The IRS may impose a penalty for each Form W-2 with missing/incorrect information.
 - Note that the IRS requires a street address for mailing tax documents unless the employee has a rural address and a P.O. Box is the only available option.
- Tax Documents:** Be on the lookout for any Federal or State tax documents and submit them as soon as you receive them.

SUBMIT BONUS, FRINGE & PAYROLL ADJUSTMENTS BY DECEMBER 8, 2023

- Bonus Payments:** Schedule any special bonus payrolls using the [Bonus Request Form](#). If you require physical bonus check delivery, please submit at least 7 business days in advance of the expected delivery date. Please note that if the bonus is paid on the same check as regular wages, it will be subject to the employees' regular tax withholding. If paid on a separate check, the bonus will be taxed at 22% to comply with IRS regulations and cannot be modified. See [here](#) for more information on bonuses.
- Payroll Adjustments:** Prepare and Submit Payroll Adjustments to be run with the last payroll of the year. Any adjustments received after the deadline will be processed as a special run and could be subject to gross-up amounts and may result in a Form W-2C.
- S-Corp Shareholder Updates:** Report any changes to S-Corp. shareholders so that health benefits can be reported as expected on the W-2 form.

- Fringe Benefits Reporting:** Verify that withholding has been made properly or withheld from the final paycheck for the taxable fringe benefits. These may include:
 - Any in-house payroll that has not previously been reported to us
 - Any voided checks
 - Client retained healthcare premiums
 - Dependent care benefits
 - Reimbursements (e.g. moving expenses)
 - Non-cash payment of health insurance premiums paid by an S-Corporation on behalf of 2% shareholders
 - Group-term life insurance >\$50,000
 - Employer contributions to outside retirement/pension plans (please provide a list of all employees to ensure Box 13 of Form W-2 is correctly marked)
 - Employer-paid education-related or not related to the employee's job
 - Company-provided transportation or parking
 - Personal use of company vehicle
 - Non-accountable business expense reimbursements or allowances

IMPORTANT: Please submit any payroll adjustments by December 8, 2023. Adjustments received after this date may result in a Form W-2c for your employees.

SUBMIT DISABILITY INCOME REPORTS AND STATE UNEMPLOYMENT NOTICES (IF APPLICABLE) BY DECEMBER 26, 2023

- Disability reports:** If applicable, forward any 2023 Client Retained Disability Income Report(s) from your Third Party Administrator to us for processing on W-2s, before your final 2023 payroll.
 - Note that Third-Party Sick Pay vendors have until January 15 to provide taxation details to employees and plan sponsors, but that is typically too late to be included with the initial Form W-2 processing cycle. Please provide Obsidian HR with this information as soon as possible; if required, a Form W-2C will be produced separately if the information is received after December 26, 2023.
- State Unemployment Notices:** If applicable, submit any State Unemployment notices that you receive in the mail. These generally arrive between mid-November through December.
- Changes to paid holidays:** If you're making any changes to paid holidays for 2023, please update your HR Consultant to ensure that handbooks and payroll pay schedules are updated accordingly.
- Capped vacation / PTO:** If you have a vacation/PTO plan where all unused time is capped, and you are in a state that requires a payout, please alert Obsidian by the last payroll of the year of any impacted employees and associated amounts.
 - Note that if you track time outside of isolved, Obsidian HR will not have visibility to process capped time payouts unless you enter it directly into isolved or email us.