



- **YEAR END PAYROLL PROCESSING**

- **FRINGE BENEFITS – Reporting Deadline is on or before December 30, 2009**
  - A fringe benefit is a form of payment (cash or non-cash) to an employee. All fringe benefits are considered taxable, unless specifically excluded by the law, or de minimus in nature.
  - Examples of fringe benefits are: cash, prizes, gift certificates, business expense reimbursements under a non-accountable plan, company property (laptops, cell phones, company vehicles, or other property lending) used for personal use, moving expenses...
    - Please review your accounts payable transactions or any other business activity to identify any employee fringe benefits.
    - The reporting period is January 1 – December 31, unless some other 12-month period has been established under the Special Accounting Rule.
    - If you have questions on the treatment of fringe benefits, contact Greg Rutherford at 1-800-574-4668 with Employers Resource, your CPA, or refer to IRS Publication 15b <http://www.irs.gov/publications/p15b/index.html>.
    - Report any taxable amounts to your ERM branch payroll representative prior to submitting your last calendar year payroll.
    - Identify if the employee or you, the client, is responsible for the taxes due on the amount.
- **YEAR-END BONUSES - Reporting Deadline on or before December 30, 2009**
  - The IRS requires receipt of ERM's last tax deposit for the calendar year on the first banking day of the New Year.
  - In order to meet this deadline and avoid steep tax penalties, we need you to provide us any year end bonus information as early as possible.
  - If you are planning on issuing a year-end bonus, please coordinate with your payroll representative as soon as possible to ensure employees have checks available to them prior to December 31<sup>st</sup> and we can meet our tax deposit obligation.
- **UNDELIVERED OR UNCASHED PAYROLL CHECKS – Return as soon as possible**
  - Any checks issued in the calendar year should be made available to the employee on or before December 31.
  - If you are holding any checks that are not intended for distribution to the employee, please return them to ERM prior to submitting your last calendar year payroll.
- **W-2 DELIVERY – Enrollment deadline January 2, 2010**
  - W-2s will be mailed or available online by January 31, 2010.
  - Remind your employees to verify their social security number and mailing address for accuracy to ensure accurate and timely home delivery of their W-2.
  - Electronic W-2 enrollment must be completed by January 2, 2010.

- **END OF QUARTER / YEAR CLIENT REPORTS**

Reminder...File your Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return and your Form 941 Employer's Quarterly Federal Tax Return with zeroes. This will provide the IRS notification that you do not have any federal payroll tax liability. The employee federal wage and tax information is filed under Employers Resource accounts.



New and improved Employee Record Sheet form now available!

- This new form replaces the previous Dear New Employee, New Employee Record Sheet, Dear Client, and Notice of Employee Change. A copy will be available on our website.



Please display the EW2 poster, you can find it [here](#).

- Reminder to post the EEOC “Equal Employment Opportunity is the Law” poster sent to you earlier in November. If you did not receive a copy, please contact your local branch representative.



### Bank Holidays

Bank holidays affect payroll processing timelines and pay dates. Please give consideration to the upcoming 2009 and 2010 holidays and the impact on your payroll processing, invoice funding, check delivery, and pay dates. If not already communicated, please contact your payroll representative to discuss any changes as a result of the holidays.

Observed Bank Holidays	Monday	Thursday	Friday
<b>Christmas Day*</b>			Dec 25, 2009
<b>New Year's Day*</b>			Jan 1, 2010
Birthday of Martin Luther King, Jr.	Jan 18, 2010		
Washington's Birthday	Feb 15, 2010		
<b>Memorial Day*</b>	May 31, 2010		
<b>Independence Day*</b>	Jul 5, 2010		
<b>Labor Day*</b>	Sep 6, 2010		
Columbus Day	Oct 11, 2010		
Veterans Day		Nov 11, 2010	
<b>Thanksgiving Day*</b>		Nov 25, 2010	
<b>Christmas Day*</b>			Dec 24, 2010
<b>*Holidays observed by ERM staff</b>			



### Looking Ahead for 2010

- Remind employees to review their payroll tax withholding and update their federal and state withholding certificates, if needed.
  - Employees who have filed a Form W-5 Earned Income Credit (EIC) Advance Payment Certificate will need to complete a new withholding certificate for 2010.
- Employees claiming exemption from withholding must complete a new W-4 before February 16, 2010