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PAYROLL RE-DEFINED.

December 2021

Dear Valued Payroll Vault Payroll Client:

Year-end presents some unique scenarios and requirements when it comes to payroll. We here at Payroll Vault want to ensure that you are well informed and prepared for a smooth close to 2021 and a seamless transition into 2022! **Please take a few minutes to review the following information** as it directly affects your payroll reporting and W-2s. You can check off each item ☒ (or mark as n/a) as you go down the list!

### **Payroll and W-2 Information Review**

First, some housekeeping items with regards to payroll and the processing of W-2s in January. Inaccurate W-2 information can result in severe penalties!

- ☐ **Employee Information**: Have all of your employees **double-check** the information on their check stubs for accuracy: the **spelling of their name** (as stated on their Social Security Card) and **their address**. Have them fill out a **new Form W-4** if any information has changed (address, marital status, number of dependents, exemptions, etc.)
- ☐ **Fringe Benefits**: Have any of your employees received any fringe benefits that need to be reported on their W-2? (S-Corp Medical Insurance, Group Term Life coverage exceeding \$50K, personal use of company car, etc). All fringe benefits must be reported by December 27!
- ☐ **3rd Party Sick Pay**: Have any of your employees received 3rd party sick pay? If so, be sure to forward the information to us. This must be reported by December 27!
- ☐ **Manual or Voided Checks**: Have you created any manual checks or voided any paychecks in house that we have not been informed of but that need to be on your employee's W-2?
- ☐ **Mailing Address**: Please verify your company mailing address with us, so that we mail your W-2s to the proper location and use the proper return address on your W-2s. If you need to make special delivery arrangements, please let us know.

### **Closeout 2021**

Review these items NOW. Notify your payroll processor of any action that needs to be taken.

- ☐ **Officer Pay**: Calculate corporate officer pay if needed for year-end planning and review with CPA/Tax Preparers.
- ☐ **Year-End Bonus Runs**: Please notify us **early** if you are planning to process a special year-end bonus payroll. This will help us to schedule the payroll appropriately. Please be aware that payrolls that will generate **\$100K** or more in federal tax liability require next day tax deposits and **must be processed on or before December 27th** to ensure timely payment of taxes. A wire will be required to fund payrolls that exceed ACH limits.

## **Preparation for 2022**

Following are several items that should be reviewed before we move into the new year.

- ☐ **Minimum Wage Increase:** California's minimum wage increases to on **Jan 1st!**  
Employers with **26 or more** Employees: **\$15.00/hr**  
Employers with **25 or less** Employees: **\$14.00/hr**  
Review employee wage rates and adjust as necessary.
- ☐ **IRS Notices:** Have you received any **tax rate or deposit frequency notices** from the IRS or the EDD? Be sure to forward these to us upon receipt! These agencies do NOT inform us directly of these changes. The only way we know about them is if you let us know!
- ☐ **Benefit Deductions:** Please verify payroll deductions for the new year: retirement plan contributions, cafeteria plan deductions, HSA deductions, etc. Many of these items may need to be updated for 2022. **Please let us know asap if you have changes!**
- ☐ **Medical Insurance Deductions:** Please verify all medical insurance deductions. Many of these deductions may now change **throughout the year** when an employee has a birthday and moves into a new age bracket! Please let us know asap!
- ☐ **Labor Law Posters:** Post new Labor Law posters in a place where employees visit regularly. Laws change every year; be sure to update every year. Posters can be obtained from us. Contact Frank Palmieri at [Sales152@payrollvault.com](mailto:Sales152@payrollvault.com).

## **Year-End Calendar**

Please note the following important dates with regards to year-end payroll processing.

- ☐ **Final Year-End Payroll Dates:** Direct Deposit–Dec 27/28, Live–Dec 29.
- ☐ **Payroll Vault Holiday Hours:** Our offices will be closed on Friday, December 24th (Christmas Eve) and December 31st (New Year's Eve) so that we may enjoy the holidays with family and friends.
- ☐ **Federal Banking Holidays:** Banks will be closed on Saturday, December 25th (Christmas), and Saturday, January 1st (New Year's Day).

## **Payroll Features**

The following system features are available to you at **no extra charge!** Consider taking advantage of these features if you haven't already, as you move into 2022!

- ☐ **Direct Deposit:** Convenience for your employees as well as your company. No need to pick up paper checks from our office or have them delivered. Direct deposit also saves money by: Reducing costs associated with re-issuing checks due to lost or stolen checks, stop payment charges that may be levied by a bank, and investigating when a check has gone missing.
- ☐ **Employee Portal:** Our Employee Portal streamlines the payroll process by giving your employees direct access to their employee information. Employees can log in and view/print copies of their paystubs or W-2s and make account changes (address, tax exemptions, etc.)

- ❑ **Employer Portal:** The Employer Portal allows you, the employer, to log in and enter your payroll information directly, update employee/employer information, pull needed reports (including quarterly payroll reports, W-2s, etc.), and even print payroll checks.

We appreciate being your partner in business and wish you smooth sailing into 2022!  
If you have any questions, please free to contact us!

*Wishing you a warm and wonderful Holiday Season!*  
The Payroll Vault Team

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