



Thread Connects

- CLIENT EXCLUSIVE | YEAR-END BEST PRACTICES -

- CLIENT EXCLUSIVE | YEAR-END BEST PRACTICES - [#forabetterworkplace](#)

PRESENTERS



Matt Mitcham

COO



Scott Mastley

CHRO



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AGENDA

- Key Dates & Deadlines
- Data Review: The Do's & Don'ts
- Special Payroll Best Practices
- HR Tips & Best Practices

HOLIDAYS

Christmas Eve – Thursday, Dec 24th Closing at 1PM

- We will have a limited on-call staff until 5pm
- If you normally process on Thursday, please submit your payroll by 11am
- ACH Files will be transmitted as normal

Christmas Day/New Year's Day – Dec 25th/Jan 1st Offices Closed

- Federal Bank Holiday - No ACH Files will be transmitted
- No funds transfer between clients and Thread accounts
- No Client packages will be shipped

Any payrolls submitted on either day, will **NOT** be processed until 12/28 or 1/4/20, and will not settle until 12/29 or 1/5/20.

HOLIDAYS

How is my payroll affected due to holiday schedule?

If your processing/check date falls on Christmas/New Year's Day:

Processing/check dates have been **adjusted** for you. *For example:*

Normal Schedule			Adjusted Schedule		
Check Date	Transfer Date	Processing Date Deadline	Check Date	Transfer Date	Processing Date Deadline
12/25/2020	12/24/2020	12/23/2020	12/24/2020	12/23/2020	12/22/2020
12/28/2020	12/25/2020	12/24/2020	12/28/2020	12/23/2020	12/22/2020
12/29/2020	12/28/2020	12/25/2020	12/29/2020	12/24/2020	12/23/2020
12/30/2020	12/29/2020	12/28/2020	12/30/2020	12/29/2020	12/28/2020
12/31/2020	12/30/2020	12/29/2020	12/31/2020	12/30/2020	12/29/2020
1/1/2021	12/31/2020	12/30/2020	12/31/2020	12/30/2020	12/29/2020

To review *your* calendar, log in to iSolved and view your processing calendar at the bottom of the home screen. *Power Tip: Review 2021 payroll schedule as well*

NEXT SCHEDULED PAYROLL

Pay Group	Frequency	Due In Date	Check Date	Period Begin	Period End	Period	Run Type	Processing Schedule
Group 1 - Semi-Monthly	Semi-Monthly	11/27/2020	11/30/2020	11/11/2020	11/25/2020	03	Regular Payroll	View
Weekly	Weekly	04/21/2020	04/23/2020	04/06/2020	04/12/2020	01	Regular Payroll	View
Bi-Weekly	Bi-Weekly	12/02/2020	12/04/2020	11/21/2020	12/04/2020	02	Regular Payroll	View

A background image showing a desk with a pair of black headphones and a white mug. In the background, there is a window with a view of a building structure.

DEADLINES

DECEMBER KEY DATES

December 11th, 2020 – Last day to notify thread which types of Fringe Benefits you will be reporting at Year End (survey link attached to webinar resources)

December 14, 2020 – Audit employee records to prepare for W-2s

December 22, 2020 – Final date to submit any adds/changes for 2020 before records are locked for year end filing and avoid any unnecessary fees/amendments.

December 30, 2020 – Last day to process payroll for 2020

A background image showing a desk with a pair of black headphones and a white mug. The image is partially obscured by a teal overlay on the right side.

DEADLINES

JANUARY & FUTURE KEY DATES

January 18, 2021 – W-2s available to employees via Employee Self Service (ESS)

January 25, 2021 – W-2s/1099's delivered to clients no later than this date

February 2, 2021 – Employers approve ACA 1095 forms (if applicable)

MARCH 2, 2021 – ACA Forms must be provided to employees (IRS Extended)

DELIVERY



Got Checks?

POWER TIP UPS and other carriers are expecting record number of packages this holiday season due to covid and have *cancelled* their service guarantee.

We highly recommend anticipating possible delays and thus avoiding last minute payroll runs. Many clients making arrangements to run payroll earlier with possible pick up (if local).

Consult with your account manager to determine the best options for you.

DELIVERY

Go Paperless!

We ask our clients that receive a payroll package to consider the following option as we navigate the holiday season and flip the calendar to 2021 while dealing with the stress of a pandemic.

Sign up for Employee Self Service.

This will allow employees to access their direct deposit vouchers online. This is a WIN for everyone as there is no risk of COVID-19 exposure & shipping fees are reduced or in some cases eliminated.

The screenshot shows the iSolved HCM Employee Self Service interface. At the top, it identifies the user as Justin Randall Timberlake IV, Employee # 2345, with a hire date of 9/29/2010, working at the ATLANTA, GA location (100). The page is titled "Pay History" and shows a table of recent paychecks. Below this, there are sections for "View/Print Pay Stub" and "Earnings & Memos". The "View/Print Pay Stub" section provides a detailed breakdown of the paycheck, including gross pay, net pay, and various deductions. The "Earnings & Memos" section shows a summary of earnings and deductions for the current period.

Check Date	Gross Pay	Total Hours	Net Pay	Check/Voucher #	Check Amount	Description	PR Run #
05/29/2020	375.00	275.00	0.00	V1791482	0.00	Regular Check	163
01/15/2020	775.00	275.00	235.80	V1609217	0.00	Regular Check	162

Justin Randall Timberlake				Employee #	Location
555 North Point Center Circle ATLANTA, GA 30318 Georgia Tech Foundation				2345	100
Check Type:	Regular Check	Gross Pay:	375.00	Soc Sec #	XXX-XX-0001
Check Date:	05/29/2020	Gross Wage:	384.00	Married	Married Filing jointly (1 Spouse Working)
Period End:	05/29/2020	Net Pay:	0.00	St Filing:	St Exemptions
Period Begin:	05/11/2020	Check Amt:	0.00	St Additional:	6
Payroll Run #:	163	Voucher #:	V1791482		

Earnings & Memos*				Deductions				Taxes			
	Curr Dollars	YTD Dollars	YTD Hours		Curr Dollars	YTD Dollars		Curr Dollars	Curr Wages	YTD Dollars	YTD Wages
GTL				Gross Pay	375.00	375.00		SOC SEC EE	13.99	224.00	948.00
Medical 401K	250.00	500.00		Medical Pre-Tax	160.00	320.00		MED EE	3.25	12.90	848.00
401K Match*	6.00	12.00		Roth 401K	2.15	8.30		FEDERAL WH	100.00	208.95	789.90
Roth 401K*	0.02	0.08		401K Loan	20.00	40.00		GEORGIA WH	208.95	1.02	789.90
Auto Allowance		400.00		Vol Life - CH	10.00	20.00					
401K*	6.45	24.90		Vol Life - WH	17.50	17.50					



DELIVERY

Verify Paperless W2s

- Most employers have already chosen to activate this feature within their iSolved setting and have notified thread.
- If you are unsure of whether you currently have this feature activated in your iSolved setting and whether employees have already opted out of receiving a paper W2s for 2020, you can navigate to:

Reporting>Run New Report>Electronic Tax Form Delivery Status.

DELIVERY

Verify Paperless W2s

Reporting>Run New Report>Electronic Tax Form Delivery Status.

YE Delivery Consent Date Accepted	YE Delivery Consent Date Declined	YE Delivery Withdrawn Date	Employee Number	First Name
6/3/2020			2200	Caroline
8/21/2019			001823	Renee
11/15/2019			2114	Heather
12/2/2020			2263	Heather
8/16/2019			2224	Amy
8/30/2019			2186	Sandra
8/16/2019			2171	Tara
9/12/2019			2141	Terry
9/24/2019			2178	Lisa
12/1/2019			002072	Heather
9/9/2020			2260	Nicole
1/17/2020			001913	Emily
10/17/2019			001898	Nysheda
5/31/2020			2256	Michelle
9/24/2020			2119	Sandra
8/30/2019			002076	Nikki
8/16/2019			2175	Sara

TIP: If the date field is missing for all employees then you are not offering this service or no employees have opted in of receiving electronic W2s

TIP: If you do see a date field next to the name of some employees that means that the employees have opted out of receiving paper forms.

NOTE: Terminated employees will always receive a paper W2 form.



DATA REVIEW



DATA REVIEW

BENEFITS

- Short term pain for long term gain
- Happier Employees & Managers
- Avoid costly amendment fees
- No filing delays or W2s

DATA REVIEW

EMPLOYEE VERIFICATION

New Hires in 2020? Review:

- Social Security Number
- Employee's (Full) Legal Name
 - Does it match the Social Security Card?
- Employee's Address-Must be a physical address! The SSA does not accept a PO box as an address. PO Box numbers can be reported on address line 2 of the W-2.

Employee Summary

EMPLOYEE NAME & ADDRESS

Name
Joshua Abernathy
Address
113 Main Street
City
OAKWOOD VILLAGE
State
Ohio
Zip Code
44146

DATA REVIEW

SSN Verification Report

Reporting>Run New Report>SSN Verification Report

Client ID: 1004 - Chestatee Development Corp	SSN VERIFICATION REPORT	Period Begin Date: 11/16/2020
Pay Group: BW1	Chestatee Golf Club	Period End Date: 11/29/2020
Check Date: 12/4/2020		Pay Period: 25
Run Date: 11/30/2020	Run Number: 168	Payroll Type: Regular Payroll

No Missing, Invalid or Duplicate Social Security Numbers to Report

TIP: If the date field is missing for all employees then you are not offering this service or no employees have opted in of receiving electronic W2s

TIP: If you do see a date field next to the name of some employees that means that the employees have opted out of receiving paper forms.

NOTE: Terminated employees will always receive a paper W2 form.

DATA REVIEW

Tax ID & Rate Verification Report

Reporting>Run New Report>Tax ID & Rate Verification Report

Search the menu	Run New Report
CUSTOMER SERVICE	Report Category: All
EMPLOYEES	Search: tax id Filter
CLIENT MANAGEMENT	
PAYROLL	
REPORTS	
Report Archive	
Run New Report	
My Reports	
Report Writer	
PRODUCTION UTILITIES	
SECURITY	

Output Name	Report Type
Exceptions - Invalid Tax ID	By Payroll Run
Tax Id & Rate Verification Report	By Payroll Run

TIP: If you do see a date field next to the name of some employees that means that the employees have opted out of receiving paper forms.

NOTE: Terminated employees will always receive a paper W2 form.

DATA REVIEW

Year-End Exceptions Report

Reporting>Run New Report>Year-End Exceptions Report

My Reports Queue

Client ID	Report Name	Status	Report Requested	Generate Begin	Generate End	Purge Date	View Report
3192	Year End Exceptions	GENERATED	12/9/2020 10:00:20 AM	12/9/2020 10:00:21 AM	12/9/2020 10:00:42 AM	12/12/2020 10:00:42 AM	No data returned for this report
1004	Year End Exceptions	GENERATED	12/9/2020 9:55:29 AM	12/9/2020 9:55:29 AM	12/9/2020 9:55:31 AM	12/12/2020 9:55:31 AM	No data returned for this report
1004	Year End Exceptions	GENERATED	12/9/2020 9:54:05 AM	12/9/2020 9:54:12 AM	12/9/2020 9:54:25 AM	12/12/2020 9:54:25 AM	No data returned for this report

TIP: No data returned for the report is GOOD NEWS. Pat yourself on the back.

TIP: If a report does generate, please review and correct with your account manager prior to the last payroll of the year.

DATA REVIEW

RUNNING A W2 PREVIEW

1. Login to iSolved
2. Navigate to Reports/Run New Report
3. Choose Employee W2 Preview

Output Name	Report Type
Employee W2 Local Wage Listing Report	By Payroll Run
Employee W2 Preview	By Payroll Run
Employee W2 Preview	As Of Date
Employee W2 Verification	By Payroll Run
Year End W2/1099 Employee List	By Payroll Run
Year End W2/1099 Employee List	As Of Date
Year End W2/1099 Employee List	By Payroll Run
Year End W2/1099 Employee List	As Of Date
W2 Corrections	Report Writer

The background is a grayscale photograph of a workspace. A person's hands are typing on a laptop keyboard. To the left of the laptop is a pair of white over-ear headphones and a small potted plant with green leaves. To the right is a closed book. The entire scene is overlaid with a semi-transparent teal banner at the bottom containing the text "SPECIAL RUNS".

SPECIAL RUNS



Special Runs

Bonus Payrolls & Special Runs

These payrolls **MUST** be processed before December 31, 2020

- Provide us with as much advance notice as possible especially if this will be done as a separate payroll run and not part of your regular payroll.

POINTS TO CONSIDER Check out our [Special Payroll Checklist](#)

- If the total taxes for your special or bonus payroll run will be larger than your normal tax amount, we may need to make special arrangements to fund those taxes such as a wire or verification of funds.
- Will you use the regular tax calculation for these pays or will the supplemental Federal and/or state rates be used?
- Will you allow these to be paid via direct deposit or do you want only paper checks to be used?
- What about deductions, like your 401k/403b/retirement deferrals? Will they be allowed? If so, remember that varying the withholding just for this pay is difficult.

FRINGE BENEFITS

Taxable Fringe Benefits

If you provide Group Term Life insurance coverage in excess of \$50,000 for any employee this should be included in the employee's pay.

TIMING Group Term Life should be added either with or before the last pay of the year to allow the employee to cover the taxes due.

POINTS FOR CONSIDERATION:

- If the employee is not receiving any more pays and this needs to be added, how will you cover the employee's taxes?
- Are you giving out gift cards or other items that have more than a "de minimus" value?
- Do the owners/managers/key employees need to be taxed on special earnings received?

Note: For any of the above, consult your company accountant or tax advisor and provide to us specific directions on what taxes apply. Sufficient advance notice needs to be given to us to make sure we are complying with those directions.



FRINGE BENEFITS

S-Corporation Owners Health Insurance

Is your company a subchapter S corporation?

Do you pay the cost of health insurance for anyone who owns 2% or more of the corporation?

IF YOU ANSWERED YES TO THE ABOVE:

- Consult with your company accountant or tax advisor.
- Provide to us any amounts that need to be added and which taxes apply BEFORE the final payroll of the year. There are differences among states regarding the taxability of this item!
- Reporting these items after January 1 can delay production of your W-2 forms for all employees and your tax reporting



FRINGE BENEFITS

Third Party Sick Pay

Timing: Please try to submit BEFORE the last payroll of the year.

- Adding sick pay amounts after January 1 will delay the production of all of your W-2 forms and your tax reporting

POINTS TO CONSIDER:

- Who is responsible for reporting this on a W-2 to the employee—You or your provider?
- Did the employee pay any portion of the cost/premium either as a deduction or as a tax?
- Has the employee been receiving sick pay for more than 6 months?



TAX TIPS

TAXES CAN BE SO TAXING

- Thread is happy to assist our clients whenever possible but Thread cannot advise you on tax matters
- Tax decisions should be made in consultation with your company accountant, CPA, or Tax Attorney
- When a special item is presented to us that requires special taxation, we will configure the pay item according to your direction within the bounds of the software.



TAX TIPS

2021 State Unemployment Rates

- When you receive a rate notice from any state, please send it to us promptly to your account manager or our tax team at tax@threadhcm.com
- To expedite handling of notices sent by email, please use a subject line such as:
 - ***"2021 (include name of state) SUI Rate for CLIENT NAME"***
- The rate on file for your company determines the amount impounded for this tax. If the rate is not provided until some time after its effective date this will have a large impact since the first dollars earned in the year will all be subject to the SUI tax.

A top-down view of a person's hands typing on a silver laptop keyboard. The person is wearing a silver ring on the ring finger of their left hand. The laptop is open, and the keyboard is clearly visible. The background is a wooden desk with various items: a pair of white earbuds on the left, a small potted plant in a white pot, and a stack of books on the right.

HR Tips

Thread Engage

- Are you using technology to improve your life?
- Have you reviewed and updated your forms and policies?
- Is your employee handbook compliant with new laws and locations?
- Have you identified compliance gaps?
- Are you organized and prepared for 2021?
- Is your team ready for continued Covid challenges?

Thread Engage

- Do you have plans to improve the candidate experience?
- Do you have plans to improve the employee experience?
- Is your payroll data complete and accurate?
- Did you analyze turnover and incident trends to discover causes that can be addressed?
- Have you set concrete goals for Q1 2021 based on your company strategy?
- Have you partnered with Thread for HR services?

The floor is yours

