



2022

YEAR-END SEMINAR

ROCK N ROLL

2022 Year End Guide



Dominion Payroll®



Dominion Payroll®

Dear Friends of Dominion Payroll,

It is that time of year again... year-end is upon us! This document is a crucial part of our fourth quarter and year-end education process and will help guide you smoothly through a successful end of the year. Please read this document carefully and respond to us with any adjustments and notifications as soon as possible.

As always, if you have questions that are not addressed in these documents or need further clarification, you may contact our service team:

VA:
customerservice@dominionpayroll.com
804-355-3430

TX:
txsupport@dominionpayroll.com
214-396-9646

TN:
dpsupport@dominionpayroll.com
615-577-9920

Thank you,
The Dominion Payroll Team

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Important Deadlines for Year End

November 28, 2022 – Notify DP as to which types of Fringe Benefits you will be reporting at Year End

December 13, 2022 – Review year-end guide, audit employee records to prepare for W-2s

December 23, 2022 – Last day for retirement account submissions for 2022

December 28, 2022 – Last day to process payroll for 2022

January 8, 2023 – W-2s available to employees via Employee Self Service (ESS)

January 20, 2023 – W-2s and 1099's shipped to clients no later than this date

February 2, 2023 – Employers will need to approve 1095 forms for 2022 in iSolved

March 2, 2023 – ACA 1095 form must be provided to employees

Standard Deadlines

Payrolls need to be submitted at least two banking days in advance of the check date to allow enough time for payroll funding and employee direct deposits to be received and posted by the check date. Although exceptions can be allowed to this two-day rule, it is important to keep in mind that high liability payrolls may require funds verification. **Any payroll with \$100,000 or more in federal tax liability or total ACH debit of \$500,000 or more is considered a high liability payroll.** If your payroll does not normally exceed these high liability thresholds, and you anticipate it may exceed these thresholds due to year-end adjustments or bonuses, please contact your HCM Specialist at least one week in advance of processing the payroll. This will allow us to prepare you for any additional steps required to verify funds.

Year-End Adjustment Processing Deadline

Please notify us no later than December 12, 2022 of any year-end payroll adjustments. This will provide sufficient time to record adjustments prior to your last payroll process of 2022. We understand that some information related to closing your 2022 payroll records may not be available by this date, and we will plan to report information as it becomes available. Please keep in mind that reporting adjustments after your last payroll in 2022 can delay your 4th quarter and year-end returns and will incur additional processing fees for corrections, off cycle payroll runs and amendments.

Examples of adjustments are as follows:

- Void and/or manual checks
- Third party sick payments
- Fringe benefits
- Year-end distributions
- Bonuses and other gifts given to employees
- Health Insurance Premiums
- Vendor 1099 payment recording

Upcoming Holidays

November 24, 2022 – Thanksgiving; DP and banks are closed

December 24, 2022 – Christmas Eve; is on a Saturday this year; DP and banks are closed

December 25, 2022 – Christmas Day; is on a Sunday this year; DP and banks are closed

December 26, 2022 – Christmas Day observed; DP and banks are closed

December 31, 2022 – New Year's Eve; is on a Saturday this year; DP and banks are closed

January 1, 2023 – New Year's Day; is on a Sunday this year; DP and banks are closed

January 2, 2023 – New Year's Day observed; DP and banks are closed

January 16, 2023 – Martin Luther King, Jr. Federal Holiday; DP and banks are closed

Important E-mail Addresses

Customer Service – customerservice@dominionpayroll.com

Tax – tax@dominionpayroll.com

Benefits – benefits@dominionpayroll.com

W-2 & 1099 Deadlines

W-2 deliveries will begin Friday, January 13th. W-2s will be shipped to your offices no later than January 20th. The forms will be in a separate package labeled 'W-2'.

Electronic W-2s will also become available to all employees by January 8th. If you would like this date to be adjusted for your company, email tax@dominionpayroll.com. If you are a paperless client, we will deliver paper W-2's to your delivery address on file.

How to Review & Confirm Accuracy of your Company and Employees' Information

On the first payroll in your Year End Period, a SSN Verification Report and a Tax ID & Rate Report will be included with your payroll reports. Please review this report to ensure that all the Tax IDs for your employee and employer tax accounts are correct prior to running your last 2022 payroll.

Directions:

1. Log into iSolved.
2. Select Client Reports in the Reporting module.
3. Select "Employee W-2 Verification" and/or "Employee W-2 Preview".
4. Hit the "Run Report" button.
5. Review the reports and make any updates in iSolved prior to processing your final payroll of 2022.

Employee W2 Information

*Please note, after January 31st, 2023 the IRS fine for each incorrectly filed W-2 SSN is \$50. In addition, please note that Dominion Payroll charges \$25 for every W-2 it must amend and refile with a corrected SSN.

Electronic W2 Option

The first time an employee logs in to ESS, they are greeted with the message box below which gives them the option to accept to electronic W-2s. Employees need to login and hit "I Accept" before the last payroll of the year to take advantage of this option, otherwise they will receive a paper W-2. Keep in mind, if they already accepted last year, they do not need to do it again. More info on this great feature can be found at the website <https://dominionpayroll.com/electronic-w2-faq/>.

Terms of Use and Consent to Electronic Delivery of Tax Forms

1. Electronic Delivery of Tax Forms

By selecting the "I Accept" button, you are signifying your intent to sign this Agreement electronically. You agree your electronic signature is the legal equivalent of your manual signature on this Agreement and any associated documents. By selecting "I Accept" you consent to be legally bound by this Agreement's terms and conditions. You further agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action, or in accessing or making any transaction regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes your signature (hereafter referred to as "E-Signature"), acceptance and agreement as if actually signed by you in writing. You also agree that no certification authority or other third party verification is necessary to validate your E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and Sheila's Benefits

I Accept I Decline

1099 Nonemployee Compensation(NEC) Forms

If you have paid 1099 NEC income through the payroll system in 2022, DP will produce these forms. If you have additional 1099's (for vendors or contractors who were paid earlier in the year and not reported), enter them using manual adjustments before you process your last payroll for 2022. Always use 1099 Earnings codes to pay 1099 contractors and/or vendors in the payroll system to ensure that the 1099 tax forms are generated properly.

In accordance with IRS requirements, we will produce 1099s for anyone with \$600 or more in non-employee compensation.

As of 2020, The IRS made a change to the 1099-Misc form and has created the form 1099-NEC to report these payments. Please click here for more information on these forms: <https://www.irs.gov/instructions/i1099misc>.

1099-NEC

7171 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		<div style="border: 1px solid black; padding: 2px; display: inline-block;"> 2020 Form 1099-NEC </div>		<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Nonemployee Compensation </div>	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Nonemployee compensation \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.	
PAYER'S TIN	RECIPIENT'S TIN	2			
RECIPIENT'S name		3			
Street address (including apt. no.)		4 Federal income tax withheld \$			
City or town, state or province, country, and ZIP or foreign postal code		5			
Account number (see instructions)		FATCA filing requirements			
and TIN not		6 State tax withheld \$			
8 State/Payer's state no.		9 State income			

Form 1099-NEC Cal. No. 72360N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

ACA

As an employer, if you meet any one of the following three criteria then ACA compliance and reporting will be required for your company.

- Your company is an Applicable Large Employer- the IRS defines an Applicable Large Employer (ALE) as a company with 50 or more full-time equivalents. Reporting for the current calendar year (2022) is determined by the number of FTE in the prior calendar year (2021).
- There is common ownership between multiple FEIN.
- Your company offers self-insured healthcare coverage.

If as an employer you meet any one of the above criteria and ACA compliance and reporting is required, you must:

- Provide affordable healthcare coverage to your applicable employees
- Track variable employee hours and offer coverage to employees that meet the 30 or more hours threshold
- Provide Form 1095 to your employees
- File Forms 1094 and 1095 with the IRS

Dominion Payroll can help! We can help you determine if you are an ALE, track variable employee hours and help determine if coverage should be offered, prepare both Forms 1094 and 1095 and file with the IRS on your behalf! If you think you may meet any one of these three criteria and are not currently utilizing our ACA Service, please reach out to benefits@dominionpayroll.com no later than December 1, 2022. We will first help you to determine if you need the ACA Compliance and Reporting service and if so, coordinate with our Sales Department for pricing and then begin the set-up process.

Important Deadlines for Reporting

For calendar year 2022 reporting, Form 1095 is due to your employees by March 2, 2023 and the Form 1094 and 1095 IRS Filing Deadline is March 31, 2023.

Employers, you will need to approve the 2022 Form 1094 and 1095 in iSolved no later than February 2, 2023 to ensure timely printing and mailing as well as IRS filing.

Dominion Payroll will mail a copy of the 2022 Form 1094 for your records and all 2022 Form 1095 to the primary address of your company. You will be responsible for handing out or postmarking for mailing the Form 1095 to your employees no later than March 2, 2023.

Reviewing and Approving ACA Forms:

1. Log into iSolved
2. Select Client Management > ACA Setup Options > ACA Forms Approval
3. Click "Run Alerts" and/or "Preview Forms" and review for accuracy

*provides a condensed version of information and Preview Forms provides the information in the exact form view employees will receive

4. Once you have reviewed and made corrections, if necessary, click "Approve Forms"

*Approve Forms will commit the forms to be printed, mailed and for Dominion Payroll to file with the IRS

Additional Resources

<https://www.irs.gov/affordable-care-act/employers>

<https://www.irs.gov/pub/irs-dft/i109495c--dft.pdf>

Special Payrolls

Many companies issue bonus checks and other supplemental wage payments in December, and these checks/adjustments can be run with regular payroll. If a separate payroll check date or period end date is desired, the extra checks must be run as a "Special" payroll that is added to the payroll schedule at an additional cost, based on the amount of employees being paid. Please keep in mind that the default check types that will be included are different for Regular Payrolls and Special Payrolls:

Default System Settings for Paid Items on iSolved Payrolls

Regular Payroll

Special Payroll

Salary	X	
Auto-Paid Hourly Employees	X	
Additional Checks/Manual Checks	X	X
Entries from Time Entry Grid	X	
Entries from Additional Time Entry Grid	X	X

Do's & Don'ts

Topic	Do	Don'ts
Void Checks	Do void fourth quarter checks on or before your last payroll process for 2022.	Do not void prior quarter checks. Send a note to the customer service team to let them know about prior quarter checks to be voided.
Manual Checks	Do enter them on or before your last payroll process for 2022.	Do not enter negative manuals for prior quarters without consulting a DP service representative.
Address Changes	Do make all address changes on or before your last payroll process for 2022.	
Payroll Calendar	Do verify payroll processing schedule/calendar by 12/12/2022.	
Verification	Review the following reports from Client Reports: <ul style="list-style-type: none"> Employee W-2 Verification Report SSN Verification Report Tax ID & Rate Verification Report ACA Reports Year-End Exceptions Report 	
1099 Master File Information	Customers must submit to customer service before you process the last payroll of 2022.	
1099 Information	Customers must submit 1099 earnings to customer service before you do the last process of 2022.	
Payroll Tax Information	Do send all payroll tax documents re-ceived from federal, state and/or local tax authorities to the Tax Department.	
Group Term Life (GTL)	Do enter on or before your last payroll process for 2022.	Do not enter GTL on terminated employees. Call DP for instructions.
Third Party Sick Pay	Send all 3rd Party Sick Pay to customer service with or before your last payroll process of 2022.	
Fringe Benefits	Do report any additional fringe items on or before your last payroll process for 2022.	Do not enter manual adjustments after the last 2022 payroll process. Send them to customer service.

Health Care Reporting on W2 - Requirement for Large Employers

- If your company filed more than 250 W-2's in 2021, the ACA W-2 reporting requirement applies, and you are responsible for reporting the total costs (regardless of employee-paid portion vs. employer-paid portion) of health insurance on their 2022 W-2's.
- Typical costs to include are those paid on behalf of the employees for group health insurance plans. For more detailed explanation of these items, please refer to the IRS website [1].
- Since this information may not be available until after the close of the 2022 calendar year, we ask that you compile a list of the employees and their premiums if we do not already have your employer portion of healthcare recorded in iSolved and send us the spreadsheet by January 7, 2023 so that we can add those values to your W-2s.

IRS Notes for 2023

The FICA tax rate, which is combined Social Security tax rate of 6.2% and the Medicare tax rate of 1.45% will be 7.65% for 2023 up to the Social Security wage base.

The Medicare Supplemental rate of .09% applies to wages earned above \$200,000 for single filers and \$250,000 for joint filers (\$125,000 for a married individual filing separately).

- This supplemental rate only applies to the employee Medicare portion of Federal Insurance Contributions Act (FICA) tax. Consequently, employers do not have to match the increased Medicare tax amount from employee's wages.
- NOTE: The employer is required to withhold the increased amount from all workers with wages exceeding \$200,000, regardless of the marital status claimed on the employee's Form W-4. Over- and under-withholding for the employee will be reconciled upon the filing of his/her tax

Social Security Tax Wage Base: Increases to \$147,000 in 2023

401k Contribution Limits: \$20,500 with catch-up of \$6,500 for employees age 50+.

Traditional/Roth IRA Contribution Limits: The limit on annual contributions to an IRA remains unchanged at \$6,000, with a remaining catch-up of \$1,000 for employees age 50+.

Simple IRA Contribution Limits: Increased to \$14,000 with catch-up of \$3,000 for employees age 50+.

State Unemployment Rate & Deposit Frequency Notices for 2023

You should receive your 2023 state unemployment rate and your state deposit frequency during the next two months. Once you receive these notices, please fax them to us at 804.355.3432 or email them to the Tax Department (tax@dominionpayroll.com). This will ensure the accuracy of your tax liability calculation and timely deposits of the associated taxes.

Payroll Schedules for 2023

Please take a few moments to review your 2023 schedule during December to make sure it is accurate.

1. Log into iSolved.
2. Select Payroll Processing.
3. Select Client Run Schedule.
4. Review the schedule to ensure that the appropriate dates are there for each check run.*

*If you have a fiscal year start, please ensure that the appropriate "First Payroll in Fiscal Year" box is checked on the schedule.

[1] <http://www.irs.gov/pub/irs-drop/n-12-09.pdf>



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2023

January

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

Su	M	Tu	W	Th	F	Sa
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

Su	M	Tu	W	Th	F	Sa
						1
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

○ Federal Reserve Bank Holiday. For holidays falling on Sunday, banks will be closed the following Monday (Jan 2) For Veteran's Day banks will be closed the prior Friday (11/10)

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Time &
Attendance



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