

2022 Year End Checklist – PART II

Review all sections that apply to your payroll *by December 15, 2022*

* *Details and instructions for each section can be found on the pages listed*

1. ADJUSTMENTS and/or RECONCILIATIONS - page 2

- *Complete if your CPA has any adjustments and/or reconciliations that need to be recorded on W-2s OR if there has been a change in your business entity*

2. BONUSES AND/OR LARGER THAN NORMAL PAYROLLS - page 2

- *Review if you expect to issue large bonuses and/or larger than normal payrolls at year end*

3. BENEFITS DEDUCTIONS/CONTRIBUTIONS REVIEW - page 2

- *Complete if you offer benefits that could reflect on employee W-2s*

4. FINAL 2022 CHECKS and PAY DATES - page 3

- *To be reviewed by ALL companies*

5. IMPORTANT YEAR END NOTES & EASYTRACK CLOSURE DATES - pages 3-4

- *To be reviewed by ALL companies*

6. 2023 WAGE INCREASES - page 4

- *To be reviewed by ALL companies*

1. ADJUSTMENTS and/or RECONCILIATIONS

a) If your CPA has any adjustments/reconciliations for you, email them to support@easytrackpayroll.com

▪ Common Payroll Adjustments:

- i. S-Corp Shareholders' Health and Accident Insurances
 - ❖ *Includes: Medical, Dental, Vision, Long-term and Short-term Disability Insurance Premiums paid by the company for each greater than 2% shareholder and any dependents*
- ii. Shareholder personal use of company car
- iii. Reclassification of distributions as wages
- iv. Group Term Life Insurance benefits greater than \$50,000 (only if 10 or more participants on plan)
- v. **EmployER** contributions to HSAs
 - ❖ If you do NOT record employer HSA contributions *with each paycheck*, send us the total contributed to each employee's HSA in 2022.
(Do NOT send us amounts contributed by employEEs.)

b) If your business completed an **ENTITY CHANGE** (e.g. LLC to S-Corporation, S-Corporation to C-Corporation), please [contact us](#) about this

2. BONUSES AND/OR LARGER THAN NORMAL PAYROLLS

a) **IMPORTANT:** If your payroll will be much larger than usual (***especially if it is going to be over \$100,000***), please [let us know](#) as soon as possible so that we can prepare as needed.

- You will likely be required to provide proof of funding, such as a bank statement showing the current balance, prior to these pay runs being approved.
- Easytrack may need up to **5 banking days lead time** to request approval for this increase

3. BENEFITS DEDUCTIONS/CONTRIBUTIONS

a) Reconcile benefits recorded in the payroll system for *the entire year*.
DO THIS BEFORE THE FINAL 2022 PAYROLL.

▪ **How to Reconcile:**

- i. Select **Reports** from the menu on the left side of the screen
- ii. Select **Employee Summary**
- iii. Enter *1/1/2022 to 12/31/2022* or select *Year to Date* from the dropdown and click **Update List**
 - Reconcile the benefits recorded in Easytrack to your accounting records (QuickBooks if you use it)

- Reconcile the benefits recorded in Easytrack to statements/invoices from your Insurance Carrier/Benefits Broker
- [Contact us](#) immediately if you notice a discrepancy or have any questions.

This is very important. All corrections and adjustments must be made prior to December 22.

4. FINAL 2022 CHECKS AND DATES

a) **Submit any bonuses or other paychecks you need to have recorded in 2022 by:**

- **December 28th** for Direct Deposits (assuming you are on a 2-day lead time)
- **December 31st** for Paper Checks

b) **IMPORTANT NOTE:** Paychecks dated 01/01/2023 will be included on the employee's 2023 W-2, regardless of when the employee receives the funds in their account

- To include paychecks on **2022 W-2s**, paychecks MUST be **dated 12/31/2022** or earlier
- You may need to change your **default pay date** for this to be correct

Proper dating of paychecks is **your** responsibility.

Please contact us with any questions BEFORE the Holidays

5. IMPORTANT NOTES

a) We will begin processing W-2s on Tuesday, January 3rd, 2023. All loose ends must be tied up **NO LATER THAN December 30th, 2022**.

- * If you need additional time, please notify us before January 3rd to put a HOLD on your account.

b) Any corrections needed AFTER we process your W-2s, year-end, and quarter-end reports will be charged a correction fee (determinant upon the amount of work required).

c) You must give your employees their W-2s by Tuesday January 31, 2023

- Easytrack will notify you when W-2s are available in your payroll account
- Review W-2s BEFORE giving them to employees
 - [Contact us](#) immediately if you see any issues
- If you elect to have W-2s mailed directly from the payroll system, they will be mailed to each individual employee by January 31, 2023.
- If you elect to self-print W-2s and/or provide employees with their W-2s electronically, **it will be your responsibility to give each employee their W-2 and/or notify them that it is available electronically by January 31, 2023.**

EASYTRACK CLOSURE DATES

Friday, December 23, 2022

Monday, December 26, 2022

Monday, January 2, 2023

6. 2023 WAGE INCREASES

a) State Minimum Wage Increase

- Effective January 1, 2023, **Colorado** and **Denver** minimum wages will increase as follows:
 - *State* Minimum Wage: \$13.65/hour
 - *State* Tipped Minimum Wage: \$10.62/hour
 - *Denver* Minimum Wage: \$17.29/hour
 - *Denver* Tipped Minimum Wage: \$14.27/hour
- *If you have employees who are paid minimum wage - **BEFORE** your first paychecks in 2023, make sure the minimum wage rates for your employees are correct in the payroll system*
- **How to Review:**
 - i. Go to the **Employees** page (Workers >> Employees from the menu on the left side of the screen)
 - ii. Click the *name* of the Employee you need to update
 - iii. Click **Job** in the menu at the top of the screen and then click **Compensation** in the submenu
 - iv. Confirm the Hourly Rate (*or rates if more than one*) is at least minimum wage. Update as needed.
- ❖ *If you have employees in **other states** who are making minimum wage, please [contact us](#) to confirm the state's minimum wage rate*

b) Exempt Employee Salary Threshold Increase

- Effective January 1, 2023, Colorado's *exempt employee salary threshold* will increase to **\$50,000/year**
- *If you have exempt employees who are below this amount – **BEFORE** your first paychecks in 2023, you must do one of the following:*
 - i. Increase their salary to at least the minimum threshold
 - ii. Make them a non-exempt hourly employee
- **How to Review:**
 - i. Go to the **Employees** page (Workers >> Employees from the menu on the left side of the screen)
 - ii. Click the *name* of the Employee you need to update

iii. ***If you are increasing their Salary:***

- Click **Job** in the menu at the top of the screen and then click **Compensation** in the submenu
- Enter the new *Salary Amount* in the respective box

iv. ***If you are changing them to a Non-Exempt Salary Employee:***

- Click **Job** in the menu at the top of the screen and then click **Employment** in the submenu
- In the **Type** box, select *Hourly* from the dropdown menu
- Click **Compensation** in the menu at the top of the screen
- Enter or confirm the **Hourly Rate**

❖ *If you are changing someone to a Non-Exempt employee, make sure the employee is aware of this change and that you are tracking their regular and overtime hours worked*

❖ *If you have employees in **other states** and are unsure of that state's salary threshold, please [contact us](#) to confirm you are in compliance*