

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 - page 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 the **Reports** icon from the menu on the right side of the screen 
- ii. Under the **Management** column, select **Deductions Summary**
- iii. Enter 1/1/2022 to 12/31/2022 or select *Year to Date* from the Period dropdown
- iv. Click the Printer icon in the dark gray bar at the bottom of the screen 
 - 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 as follows:

- If you have a **3-day lead time**:
 - **December 27th** for *Direct Deposits*
 - **December 31st** for *Paper Checks*
- If you have a **4-day lead time**:
 - **December 23rd** for *Direct Deposits*
 - **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
 - 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.
- Review W-2s BEFORE giving them to employees. [Contact us](#) immediately if you see any issues

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, you **MUST** increase their hourly rate so it is at least minimum wage*
- **How to Update:**
 - i. Click the **Employees** icon from the menu on the right side of the screen 
 - ii. Navigate to the employee you want to update (select from dropdown or use arrows to scroll through employee list)
 - iii. Click the **Compensation** tab
 - iv. Update the **Default Rate** so that it is at least minimum wage
 - Update any additional hourly rates as needed
 - v. Click Save in the dark gray bar at the bottom of the screen
- ❖ *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**
- *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. Click the **Employees** icon from the menu on the right side of the screen 
 - ii. Navigate to the employee you want to update (select from dropdown or use arrows to scroll through employee list)

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

- Click the **Compensation** tab
- Enter their new salary amount in the *Annual Salary* box
- Click **Save** in the dark gray bar at the bottom of the screen

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

- Click the **Compensation** tab
 - Next to Regular Pay, select **Hourly**
 - Update their **Default Hours** to **0**
 - Enter their hourly pay rate in the **Default Rate** box
 - o Update any additional hourly rates as needed
 - Click **Save** in the dark gray bar at the bottom of the screen
- ❖ *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*