

# Year-End for U.S. Payrolls

Preparing for and completing year-end processing of U.S. payrolls also prepares you for the next year's payroll processing.

## Prior to year-end processing

We recommend that you familiarize yourself with the entire year-end process prior to beginning your year-end processing.

- Once they are available, view the Release Notes for this release.
- Explore [Year-End Training for Customers with U.S. Payrolls](#) in the Viewpoint Academy.
- Because the 2023 R3 Release contains [Internal Revenue Service \(IRS\)](#) and [Social Security Administration \(SSA\)](#) mandated changes, it is essential to update to Spectrum version 2023 R3 before doing year-end processing.
- Register for or renew your Social Security Administration (SSA) PIN and Password:
  - Call toll free at (800) 772-6270.
  - Go to the SSA website at <http://www.ssa.gov/bsowelcome.htm>.

**i Tip:** Viewpoint provides a data file that automatically updates the Tax Tables for Single and Married filing statuses in Spectrum.

- You may download this file from the [Viewpoint Customer Portal](#).
- The file includes all known changes to electronic tax tables for Federal and all 50 states.
- We update this file throughout the year to reflect changes issued by each entity.

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## Year-end Preparatory Actions

Setup instructions for year-end for organizations with United States payrolls.



## [Calendar Maintenance](#)

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# Calendar Maintenance

Use the following topic to update the Processing Dates, Pay Cycle, and Fiscal calendars.

## Processing Dates

At the end of each year, maximum dates in all modules will need to move into the New Year. For Payroll, use the Payroll Year-End Checklist to help you decide when to advance the minimum and maximum dates into the new year.

- Go to **System Administration > Installation > Processing Dates**.
- Make any necessary changes. Anyone else making entries in that company will need to wait until the screen is closed to process date-based transactions.
- Select **Save** or select the checkmark in the upper right-hand corner to return to the Site Map.

## Pay Cycle Calendar

Use this function to set the default check date, period end date, and period start dates in the **Set Payroll Cycle** Screen.

1. Go to **System Administration > Installation > Payroll > Defaults** tab.
2. Select **Utilize pay cycle calendar?**
3. Navigate to **Payroll > Period End > Pay Cycle Calendar Maintenance**.
4. Select **Build Calendar**.
5. Choose a pay frequency and enter an ending date to use on the next pay cycle.
6. To skip a processing date, select the **Processed** checkbox next to the date to indicate that the date has already been used.

## Fiscal Calendar

The **Fiscal Calendar Maintenance** screen displays all fiscal years presently set up in the current company. This screen is also used to set and maintain Journal Entry sequence numbers and ending dates for each fiscal period. Entries made here control certain defaults and virtually every transaction updated to the General Ledger.

Normally, no changes are required in this screen. If changes are made, the dates on any historical transactions will not be changed.

1. Go to **General Ledger > Period End > Fiscal Calendar Maintenance**.
2. Select the **New Year** button.

The **Add New Fiscal Year** window displays.

3. Press **Enter** until all periods display.



#### 4. Select **OK**.

**Note:** Use the **Add New Fiscal Year** window to add years to your fiscal calendar. After entering the number of periods, press **Enter**. The dates and period labels for the next future year appear, but you are able to edit the period labels. Next, the **Auto-Create Additional Fiscal Years** window displays, allowing you to automatically create additional years based on the established settings.

5. Display the new Fiscal Calendar.

6. Review the new dates to verify the update.

7. Select the checkmark to save and exit the calendar.

8. If you need to make any changes, go to **System Administration > Installation > Processing Dates** and select **Edit**.

## Year Round Benefit Setup for Year-End Reporting

The various employee benefits provided to employees throughout the year need to be included in year-end reporting in state, local, and federal jurisdictions. This section looks at common ways that Spectrum is configured to help you track, maintain, and report these benefits.

Please contact your accountant for information regarding your company's specific reporting responsibility.

The example benefits we will use to illustrate benefit accrual methods are:

- employee health care benefits
- personal use of company vehicles
- life insurance in excess of \$50,000

There are various methods for accurately accruing these benefits all year for accurate reporting at year-end:

- (Recommended) During the course of the year, use Add-on and Deduction codes to record the benefit paid to the employee. The add-on code expenses the employer payment of the benefit and accrues its liability (if the benefit is taxable, the add-on would be set for taxability). The deduction code reduces the pay of the employee for their allotted portion of the benefit (if the employee portion is deducted pre-tax, the deduction code is set accordingly).
- Use a pay type. Choose between these two options:
  - If using pay type 1, 2, or 3, set these up in **System Administration > Installation > Payroll**.
  - If using an add-on code used as a pay type, set this up in **Payroll > Maintenance > Add-on/Deduction**.
- In either case and specifically for the benefit, do both the following:
  - Set up a department expense code in **Payroll > Maintenance > Department Expense**.
  - Set up a deduction code in **Payroll > Maintenance > Add-on/Deduction**.
- (Not recommended) During the course of year-end processing, manually adjust employee W-2s to reflect benefits, and then manually modify the relevant tax reports and GL accounts. This method will under-state income paid out to the employee over the year, and your year-end reports will not tie to the W-2.

## Reporting Employee Health Care Benefits on Form W-2

Employers must display the cost of health care paid by the employer and the employee on the W-2 form in Box 12, using code 'DD'.

## Add-on and Deduction code setup to record Non-Cash Benefits

### Step 1: Create Code to Track Employer Portion of Health Care

Create an add-on to record the cost of employer-paid health care benefits.

#### Properties Tab

1. Set the **Type to Add-on**.
2. Calculation method depends on whether the benefit is a fixed amount or a rate per hour.
3. Enter the benefit expense G/L account code. This is the debit side of the transaction. In our example, we would set this as an indirect GL account code.
4. Select the **Clear employee balance at year end** checkbox.

**New Deduction/Add-on Code**

Deduction/add-on code: HC Health Care EE

Properties | Tax Effects | Add-ons | Limits

Description: Health Care EE  
 Type: Add-on  
 Calculation method: Fixed Amount  
 Default rate:   
 Related code:   
 Formula code:   
 Frequency: All  
 Week numbers:   
 G/L account code: 37-10 Administrative Emp Benefits  
 Eligible for "true up" calculation?  
 Clear employee balance at year end?

Include pay & hours from:  
 Davis-Bacon jobs?  
 Prevailing wage jobs?  
 Other jobs & non-jobs?

OK Cancel

### Tax Effects Tab

Employees are not taxed on health care benefits, so nothing would be entered on the tax effects tab.

**Note:** Other benefits may result in increasing the employee tax obligation, and in those cases, the taxability would be set on this screen.

### Add-ons Tab

1. (Optional) Set the direct cost flag to non-direct cost.
2. Clear the **Paid to employee on paycheck** checkbox, since this is a non-cash benefit.
3. (Optional) Clear the **Print on paycheck** checkbox.
4. Enter the benefit liability account code in the 'Non-cash G/L account' field. This is the credit side of the transaction.

New Deduction/Add-on Code

Deduction/add-on code  Health Care EE

Direct cost

Non-direct cost
  Job cost
  Equipment cost
  Work order cost

Payment options

Paid to employee on the paycheck?
  Print on paycheck?

Non-cash G/L account  Prepaid Insurance

Is this for 'payout' from accrued benefit balance?

Related accrual add-on

Enter the benefit liability G/L account code here. (aka the "Credit").

**Version 13 Users:** There are extra fields shown that you do not have. It is OK to ignore them for this exercise.

## Step 2: Create Code to Track Employee Portion of Health Care

Create a deduction code to deduct the cost of the employee's portion of health care.

### Properties Tab

1. Set the **Type** to **Deduction**.
2. Calculation method depends on whether the benefit is a fixed amount or a rate per hour.
3. Enter the employee liability G/L account code on the **Properties** tab. This is the debit side of the transaction.
4. Select the **Clear employee balance at year end** checkbox.

### Tax Effects Tab

Since employee health contributions are usually collected pre-tax, the income tax and FICA boxes would be selected for the US tax jurisdiction.

**Important:** Consult with your tax advisor for your specific situation.

## Step 3: Enter Codes on Employee Recurring Deduction/Add-on Maintenance

The last step is to set up the add-on and deduction codes on the employee. Go to **Payroll > Maintenance > Recurring Deduction/Add-on > Recurring Deduction/Add-on Maintenance**. In this manner, these amounts will accrue automatically during each pay cycle.

**Tip:** If the add-on code was not set up at the beginning of the year, use the Adjust Non-Cash Add-on Balances screen to bring the YTD amounts up to date. When you perform the Build W-2s process, enter both add-on and deduction codes into Box 12, code 'DD'. The system automatically sums these amounts together.

## Personal Use of Company Vehicles

If your company provides personal use of company-owned vehicles as an employee benefit, it may be necessary to include an amount in the employee's year-to-date earnings to reflect taxable income for personal use of company vehicles.

## Life Insurance in Excess of \$50,000

If your company provides life insurance as an employee benefit, it may be necessary to include an amount in the employee's year-to-date earnings to reflect taxable income for life insurance in excess of \$50,000. This amount must also be included in box 12 of the W-2, code C.

The IRS publishes a table detailing the amount of earnings to be applied.

### Payroll Installation Screen pay type

1. Navigate to **Payroll** > **Maintenance** > **Deduction/Add-on Code**, and select **New** to add a new Add-on Code.
2. In the **Properties** tab:
  - enter a fixed amount Calculation method,
  - enter a non-direct expense GL account, and
  - select the **Clear employee balance at year end** checkbox.
3. In the **Tax Effects** tab, enter all the tax codes for US, state, county, and local.
4. In the **Add-ons** tab:
  - clear the **Pay the employee on the paycheck** checkbox,
  - select the **Print on paycheck** checkbox, and
  - enter the same GL account in the **Non-cash GL account** field as you did in the **Properties** tab.

**Note:** These lines should be added to the last regular paycheck.

## Adjusting W-2 Forms Prior to Printing

Once you process a payroll for the next/new year, it is too late to add additional earnings to the previous year payroll reports. However, you can make adjustments to the W-2 forms prior to printing.

The following process adjusts only the W-2 forms being produced. It doesn't affect employee earnings or update the quarterly or yearly payroll reports.

The life insurance may be recorded directly into the employee's W-2 record. Use the **W-2 Form Maintenance** screen to adjust the employee's W-2 wage and tax statement. Consult with your accountant for specific instructions on which figures to adjust:

- Wages tips and other compensation (box 1)
- Federal income tax withheld (box 2)
- Social Security wages (box 3)
- Social Security tax withheld (box 4)
- Medicare wages (box 5)
- Medicare tax withheld (box 6)
- State/local information (boxes 15-20)

Entry in this screen is reflected only on the W-2 paper and electronic filing reports. This procedure does not result in any changes to the Payroll period end reports, nor does it change recognition of expense in the General Ledger for employer FICA. Be sure to manually adjust your Quarterly Federal Tax Report and other fourth-quarter tax filings if necessary.

Please contact your accountant for information regarding your company's specific reporting responsibility.

# Affordable Care Act Setup

This page contains an overview of preparing the 1095-C, and how to meet this federal reporting requirement using Spectrum.

For more information on the ACA, please see: <https://www.irs.gov/affordable-care-act>.

**Important:** The following information reflects our current understanding of the Affordable Care Act's reporting requirements and how they can be processed within Spectrum. It is not intended to be offered as legal advice. Please consult with your company's CPA or legal counsel to ensure your organization's compliance with the Affordable Care Act.

## Getting Ready for the Affordable Care Act

One of the requirements of the Affordable Care Act is that large employers file a Form 1095-C. Viewpoint recommends gathering this information throughout the course of the year, rather than waiting until the Form 1095-C due date.

## Key data and information required to fill out the 1095-C

- Employee Social Security Number (SSN), Date of Birth (DOB), name and address. If the employer is self-insured for medical insurance, they also need to provide spouse and dependent SSN and DOB.
- Plan start date.
- Names, addresses and employer ID numbers of all employing companies.
- Total number of employees (full-time equivalents) for each calendar month. Employers will use this figure to determine if they meet the size threshold of certain reporting requirements. Please see <https://www.irs.gov/affordable-care-act/employers/determining-if-an-employer-is-an-applicable-large-employer> for more information.
- Employer coverage offered and employee acceptance (or refusal) of coverage.
- Employee rate of pay, W-2 wages, federal poverty line.
- Subject employers (ALEs) must analyze the coverage they have offered with regard to each employee's income, and report whether or not the coverage qualifies as the minimum required coverage. The employer then also determines if they are subject to paying an assessment to the IRS and whether the employee is eligible for a tax credit. For more information, see <https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act>.

## The 1095-B and 1094-B

For those employers who have fewer than 50 full-time (and full-time equivalent) employees and who are self-insured, please note that you are required to file Forms 1095-B and 1094-B. These two forms are not provided in Spectrum.

For assistance on these forms, please contact your CPA.

## Gathering 1095-C information through the year

The 1095-C Employee Worksheet in Spectrum is available to capture employee coverage information throughout the year. It can be exported at any time, and provides a location to manually record and store coverage information. When exported, the Employee Worksheet contains the names of employees who have hours recorded in payroll in the year specified. For self-insured employers, it can also contain those employees' dependent names, DOBs, and SSNs.

See [Affordable Care Act Setup](#) for specific details.

## Preparing with Nelco for 1095-C filing



Viewpoint provides 1095 e-filing through Nelco. Any follow-up 1095-C corrections are handled by Nelco for a fee, and printing and mailing of physical forms are available through Nelco, also for a fee.

In preparation, please contact Nelco at 1-800-266-4669 to obtain your prepaid filing code for 1095-C filing. You will need to provide the total number of employee records you are processing, and your Spectrum customer ID. If you do not know your customer ID, contact Support using the [Viewpoint Customer Portal](#).

## Overview of 1095-C Form

The following explains how the Payroll Administrator can use Spectrum to perform their analysis when completing Form 1095-C.

### Part I - Employee and Employer Information

All of the information for filling in Part I of the 1095-C is available within your Spectrum application. It is also used to populate employee W-2s.

We advise employers to validate employee information prior to finalizing W-2s and 1095-Cs. Common issues with this data are:

- fewer than nine digits in the **SSN** field
- no entry in the **Last Name** field

Tools that can assist with SSN validation:

- The **Show entire social security number?** field in the Unemployment Tax report - **Payroll > Reports > Unemployment Tax**
- The W-2 Processing screen - **Payroll > Period End > W-2 Processing**.

### Part II - Employee Offer and Coverage

Part II requires some analysis of the coverage offered and the employee's acceptance of it. Contact your Benefits Administrator or outside CPA for guidance on completing these fields.

- **Employee's Age on January 1st** - Enter the employee's age on January 1st.
- **Plan Start Month**: - Enter the two-digit plan start month.

Visit the IRS website for explanations of the shared responsibility requirements and reporting requirements:

- <https://www.irs.gov/affordable-care-act/employers/employer-shared-responsibility-provisions>
- <https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act>

The following steps walk through lines 14-16:

#### Line 14: Offer of Coverage

Classify each employee's offer of insurance for the calendar year. When the offer does not cover all 12 months, record the classification for each calendar month. Using the import worksheet, enter the code for the entire calendar year or by month if there is variation during the year.

#### Step 1: Determine Full or Part Time

By employee, determination must be made whether the employee is full-time or part-time.

- Use Payroll's **Average Hours Report** to perform either the monthly measurement or look back method to make the classification.
- The classification can be stored in the **Health coverage** field on the **Employee Main Properties** page.

## Step 2: Determine if Health Care was Offered and Available Each Month

If the offering of health care was not tracked throughout the year, the historical record must be recreated. Review reports in the system and other supplemental documentation to identify evidence that the employee was insured for the time frame.

- Use **Vendor Payment History** along with Document Imaging to review supporting documentation for the health care invoices.
- Use the **Add-on History** and **Deduction History Reports** to review codes that represent health insurance. (Both reports are located at: **Payroll > Reports**.)
- Use the **Union Report** to review fringes that represent health insurance.

Use this information to determine whether or not the employee was offered and accepted health care during the time frame.

## Step 3: Determine if Health Care Plan is Appropriate

The Act refers to appropriate health care as Minimum Essential Coverage (MEC). If you need guidance in making this determination, refer to the IRS website and/or contact your Benefits Administrator or CPA.

## Step 4: Fill in Line 14

Based on the determination, fill in line 14 with one of the following codes:

- 1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% of the mainland single federal poverty line, and at least minimum essential coverage offered to spouse and dependent(s).
- 1B.** Minimum essential coverage providing minimum value offered to employee only.
- 1C.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to dependent(s) (not spouse).
- 1D.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to spouse (not dependent(s)).
- 1E.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to dependent(s) and spouse.
- 1F.** Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
- 1G.** Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year.
- 1H.** No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).
- 1J.** Qualifying offer - employee & conditionally spouse.
- 1K.** Qualifying offer - employee + dependents & conditionally spouse.
- 1L.** Qualifying offer w/ HRA - employee, employee residence zip.



**1M.** Qualifying offer w/ HRA - employee + dependents, employee residence zip.

**1N.** Qualifying offer w/ HRA - employee + spouse + dependents, employee residence zip.

**1O.** Qualifying offer w/ HRA - employee, employee work zip.

**1P.** Qualifying offer w/ HRA - employee + dependents, employee work zip.

**1Q.** Qualifying offer w/ HRA - employee + spouse + dependents, employee work zip.

**1R.** HRA not affordable - employee + spouse + dependents.

**1S.** HRA offered to part time employee.

**1T.** HRA offered to employee + spouse, employee residence zip.

**1U.** HRA offered to employee + spouse, employee work zip.

## Step 5: Fill in Line 15 (Employee Required Contribution)

Line 15 is only required when Line 14 is any of: 1B, 1C, 1D, 1E, 1J, 1K, 1L, 1M, 1O, 1P, 1Q, 1T, or 1U.

The employee share is the portion of the monthly cost that would be paid by the employee for self-only coverage, whether paid through salary reduction or otherwise. The Employee Required Contribution may not be the amount the employee paid for coverage. If needed, consult your Benefits Administrator or CPA for guidance.

Using the import worksheet, enter the code for the entire calendar year or by month if there is variation during the year.

## Step 6: Fill in Line 16 (Applicable Section 4980H Safe Harbor)

Complete Line 16 only if there is an applicable code describing the employer and/or employee's situation.

For each employee, use the following information determining which code to enter:

- **W-2 Box 1 wages:** Use to determine if eligible for W-2 safe harbor or federal poverty line safe harbor.
- **Hourly wage:** Use to determine if eligible for rate of pay safe harbor or federal poverty line safe harbor.
- **Employee Hire, Rehire and Termination Dates:** Use to determine whether or not employee was employed for an entire month or a month at all.
- **Hours worked by month (based on calendar year):** Run the Average Hours Report once each month, or once for each week of the year. Useful to determine whether or not employee was employed during the month.
- **Add-on History Report:** Use to review whether health insurance was paid for the employee.

Based on the facts and circumstances from the above, line 16 is answered with one of the following codes. Using the Import Worksheet, enter the code for the entire calendar year or by month if there is variation during the year.

**2A.** Employee not employed during the month.

**2B.** Employee not a full-time employee and did not enroll in minimum essential coverage.

**2C.** Employee enrolled in coverage offered.

**2D.** Employee in a Limited Non-Assessment Period.

**2E.** Multiemployer interim rule relief.

**2F.** Employer used Form W-2 safe harbor.

**2G.** Employer used federal poverty line safe harbor.

2H. Employer used rate of pay safe harbor.

## Part III. Covered Individuals

Only employers providing self-insured health coverage need to fill out Part III.

Gather the names of all covered individuals (including the employee), and their Social Security Number or Date of Birth. Individuals included in Part III reporting are included in the Export Worksheet if their information is entered at **Human Resources > Employees > Insurance Coverage**.

To acquire the information to complete Part III:

1. Navigate to **Human Resources > Maintenance > Insurance Type**.
2. Create a new insurance type for the self-insured coverage, if one has not already been set up.
3. Navigate to **Human Resources > Maintenance > Insurance Codes**.
4. Create a new insurance code for the self-insured coverage, if one has not already been set up.
5. Navigate to **Human Resources > Employees > Dependents**.
6. Enter the **Employee code** of the covered employee.
7. Select **New**.
8. Enter the type of dependent and the name, gender, and DOB or SSN of each employee dependent. Include the employee in this list in order for them and their identifying information to show up in the 1095-C Employee Worksheet export.
9. Navigate to **Human Resources > Employees > Insurance Coverage**. The names on this screen will be exported in the 1095-C Employee Worksheet export.
10. Enter the **Employee code** of the covered employee.
11. From the drop-down, select each of the **Dependents** entered on the **Dependents** screen.
12. Enter the **Insurance code** from the drop-down.
13. Enter a **Status** from the drop-down.
14. Select **OK** to finish the entry.

Then run the **Add-on History** and **Deduction History Reports** including only medical insurance codes, to review the periods during which employees and their dependents were covered. Both reports are located at **Payroll > Reports**.

## Processing

Information on year-end processing for organizations with United States payrolls.



[Year-End Checklist](#)

[Confidential Payroll Year-End Instructions](#)

[Year End Processing Screen](#)

[Payroll Year-end Processing](#)

[Non-Payroll Year-end Processing](#)

[Affordable Care Act Processing](#)

## Year-End Checklist

The Year-End Checklist section provides step-by-step checklists for processing your year-end information. This section also includes supplementary instructions for processing Confidential Payroll at year-end.

# Payroll Year-End Checklist

After completing the final payroll cycle for 2023, it is necessary to close payroll records and prepare for 2024.

**Important:** If you have Confidential Payroll, please read through the [Confidential Payroll Year-End Instructions](#) before following this checklist. There are additional or alternate steps to take if you have a Confidential Payroll company.

This is an overview of the year-end process:

- Order 2023 Forms.
- Complete the final 2023 pay cycle.
- Print the period end payroll reports.
- Perform the **Build W-2 Forms**.
- Adjust tax tables for 2024 rates.
- Change processing dates to 2024.
- Perform the **Year End Update**.
- Commence Regular 2024 Pay Cycles.
- Complete W-2 processing.

For more information about what you can do to prepare for year-end before your final payroll cycle, see [Year-end Preparatory Actions](#).

## Step 1. Order 2023 Forms

- W-2, W-3, and 1099-Misc Forms are available online at <https://store.viewpointforms.com/Store#Category:29833:Spectrum>.
- Viewpoint Forms are all guaranteed to work with Spectrum.
- Review your check stock and order more if you are getting low.

## Step 2. Complete the final Pay Cycle of the year

- For all checks dated 12/31/2023 or prior.

**Note:** If the period end date is in 2023 but the check date is in 2024, it is a 2024 pay cycle check.

- Once the Year End Update is performed and a 2024 payroll cycle has been updated, payroll checks cannot be run for 2023 again, or else the new year's YTD totals will be incorrect.

## Step 3. Print the Period End Payroll Reports

1. Go to **Payroll > Reports**.

**Note:** If in a Confidential Payroll company, navigate to Confidential Payroll module to run payroll reports. Refer to the Confidential Payroll Year End Instructions for more detail.

2. Print quarterly tax reports that are relevant to you:

- Payroll Register
- Unemployment Tax Report
- Quarterly Federal Tax Report
- State Disability Insurance Report
- Subject to Tax Report
- Workers' Compensation Report (Rate per \$100)
- Workers' Compensation Report (Rate per Hour)
- Workers' Compensation Job Expense Report
- Employee Earnings History Report

## Step 4. Perform the Build W-2 Forms

1. Navigate to **Payroll > Period End > W-2 Processing**, then select the **Build** button.

**Note:** If in a Confidential Payroll company, navigate to **Confidential Payroll > W-2 Processing** module to build W-2 forms, then select the **Build** button. Refer to the Confidential Payroll Year End Instructions for more detail.)

2. Perform the **Build W-2 Forms**. See the Payroll Processing topic for more details.

## Step 5. Update Tax Tables to 2024 Rates

There are two methods for updating the income-tax-graduated tables in Spectrum:

- Programmatically - Apply the automatic tax table import available for download from the [Viewpoint Customer Portal](#).
- Manually - Enter updates in the **Income Tax** tab of the Tax Table Maintenance screen.

### [Year-End Checklist](#)



### Automatic Tax Table Update – for Income-Tax-Graduated Tables only

**Note:** The electronic tax table update provided by Viewpoint covers federal income tax tables and all 50 states' graduated and percentage income tax tables. It also updates standard deductions and exemptions as applicable. It does not cover other tax rates, such as FICA, Unemployment, SDI, or Worker's Comp. Adjust and confirm those tax rates and limits manually.

The electronic tax table update affects all companies equally. If you run payroll in multiple companies, before entering updates in US tax tables, complete Steps 1-4 of the Year End Checklist in all payroll companies.

1. Log in to [Viewpoint Customer Portal](#).
2. Select **Products** and select **Spectrum**.

3. Select **Spectrum 2024 Tax Tables** in the **Downloads** section.
4. Select the **Downloads 2024 Tax Tables** folder.
5. Select the PRTAXTABLE-2023-XX.PRO file.
6. Select the **Download** button, and save the .pro file to your workstation. For more detailed instructions on installing the tax table file, view the **Tax Table Loading Instructions** document available in the Viewpoint Customer Portal.)
7. In Spectrum, go to **System Administration > Year End > Tax Table Import**.
8. Select **Preview**.
9. Verify that all payroll cycles are completed in ALL companies, and print the **Tax Table Listing** report before proceeding with the import.
10. Upload the file saved in step 6. When the update is completed, the screen will return to the **Site Map**.

## Manual Update: US Tax Table and FUTA/FICA rates

**Note:** IRS Publication 15-T contains the US Federal taxation rates. Review this publication when setting your US tax rates.

1. Go to **Payroll > Maintenance > Tax Tables**.
2. In the **Tax Table Maintenance** screen, type "US" in the search field and select **Go**.
3. On the **Income Tax** tab, select a filing status.
4. Select **Edit** to make changes to the graduated tables, as required for that filing status.
  - On the **Std Deduction** and **Tax Credit** tabs, taxes should remain at None. The **Exemption** tab should be set for US Withholding values. It is the amount of withholding before calculation. The **Exemption, Std Deduction, and Tax Credit** tabs are set for each filing status separately.
5. In the **Other Taxes** tab, update FUTA and FICA rates as needed.
6. When you are done making changes, print the **Tax Table Listing** and compare it to the numbers on the IRS site.

## Manual Update: US State Tax Tables

**Note:** For Multi-Company Users: If you perform Payroll in more than one Spectrum company, take these steps in each company.

1. Go to **Payroll > Maintenance > Tax Tables**.
2. In the **Tax Table Maintenance** screen, type the state tax table code in the search field and select **Go**.
3. On the **Income Tax** tab, select a filing status.
4. Select **Edit** to make changes to the graduated tables and other income tax settings, as required for that filing status. Please consult with individual state revenue departments and/or your tax advisor to set up withholding for state income taxes.
5. In the **Other Taxes** tab, update the SUTA and SDI rates if needed.
6. When you are done making changes, print the **Tax Table Listing** and compare it to the numbers in state department of revenue documentation.

## Update Workers' Compensation Rates

Workers' compensation rates may have changed as well. Be sure to make changes, when new rates are available.

Go to **Payroll > Maintenance > Worker's Compensation**.

## Step 6. Update Tax Table Types

If you use Aatrix to file, update tax types on a periodic basis using an import file provided by Aatrix and stored in the Viewpoint Customer Portal.

1. Go to the [Viewpoint Customer Portal](#) and read the instructions for the Aatrix Tax Types download file.
2. In Spectrum, go to **System Administration > Year End > Import Aatrix Tax Types**.
3. Select **Continue**.
4. Navigate to and select the downloaded file.

When the update is complete, you are returned to the Site Map.

## Step 7. Change Payroll and General Ledger Processing Dates to 2024.

Go to **System Administration > Installation > Processing Dates**.

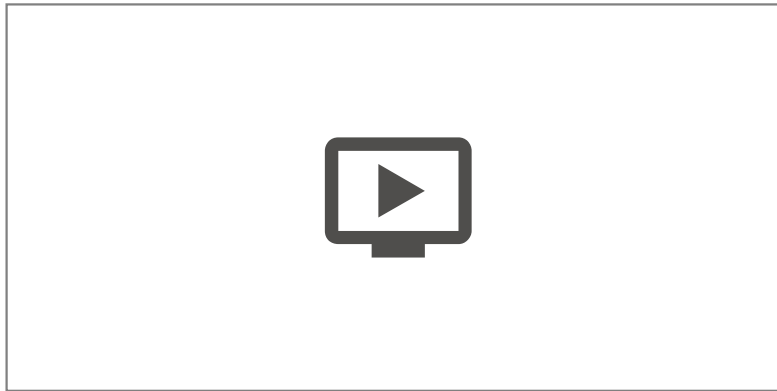
**Note:** If the first payroll dated in 2024 will have a December 2023 period end date, set the minimum date to the period end date.

## Step 8. Perform the Year End Update Procedure

**Important:** Before you proceed, confirm that no further payroll checks are needed dated for the prior year.

The Payroll Year End Update clears the prior year YTD earnings figures, preparing the way for the payroll cycles in the new year. Once the Year End Update is performed, and a payroll cycle in the new year is updated, it is not advisable to attempt to process a prior year's payroll check. Special procedures would have to be taken to do so (like voiding all the payroll checks in the new year) and is not recommended.

### [Year-End Checklist](#)



1. Go to **Payroll > Period End > Year End Update**.

The **Year End Update/Employee Purge** tab displays.

2. In the **Set new payroll year to** field, enter '2024'.
3. Select **Preview** to review a list of employees whose data will be purged.
4. Select **Continue** on the **Year End Update / Employee Purge** screen to finish the procedure.

For non-standard calendar years that require an additional pay period, select the **Extra pay period this year** checkbox on the [Tax Table Maintenance](#) or [Year End Update](#) screens. The system will calculate using the appropriate weekly and biweekly payrolls that occur in a non-standard calendar.

## Step 9. Commence Regular 2024 Pay Cycles



**Note:** Make sure check dates are in the new year, regardless of the work date(s) or the period end date.

## Step 10. Complete W-2 processing

Employee W-2s are due by January 31, 2024.

**Note:** If in a Confidential Payroll company, navigate to **Confidential Payroll > W-2 Processing** module to build W-2 forms, then select the **Build** button. Refer to the Confidential Payroll Year End Instructions for more detail.

1. Go to **Payroll > Period End > W-2 Processing**.
2. Print and review the W-2 Listing. If necessary, make changes and reprint the list. See [Payroll Year-end Processing](#) for more detailed information on W-2 processing.
3. All employees who have generated a W-2 are listed in the **W-2 Form Maintenance** screen. To browse for the desired employee, page down to scroll through the file. (The employee search window will only provide a list of employees found in the current company.)
4. Confirm that the W-2 format is correct.
5. Print the W-2s on plain paper to confirm the W-2s print at the desired printer and that the format matches your W-2 forms.
6. Load the W-2s into the printer and print.
7. If you are filing paper W-2 forms, prepare the W-3 Form.

## Confidential Payroll Year-End Instructions

This section applies to you only if you use the Confidential Payroll module installed on your system. It should be used as a supplement to the **Payroll Year End Checklist**. With Spectrum Confidential Payroll, all payroll records for selected employees are stored in a separate "confidential company" to maintain security.

### Multiple Company Reporting and W-2s

In the Confidential Payroll module, the option is available to print reports and generate W-2s on employees from multiple companies, including the Confidential Company. Reports run through the Payroll module within the confidential company contain information only on employees who are entered in the Confidential Payroll company.

To access the multi-company reports option, go to **Confidential Payroll > Report Companies**. Enter the companies that you would like to report out consolidated information. The multi-company reporting impacts these functions:

- **Confidential Payroll > W-2 Processing** (users will be given the option to build W-2s for confidential employees only or for all companies entered in the **Report Companies** function)
- **Confidential Payroll > All Reports**
- **Confidential Payroll > Build Electronic Data File**

The following quarterly tax reports are available at Confidential Payroll:

- Payroll Register
- Unemployment Tax Report
- Quarterly Federal Tax Report
- State Disability Insurance Report
- Subject to Tax Report
- Workers' Compensation Report (Rate per \$100)
- Workers' Compensation Report (Rate per Hour)
- Workers' Compensation Job Expense Report



- [Employee Earnings History Report](#)

# Year End Processing Screen

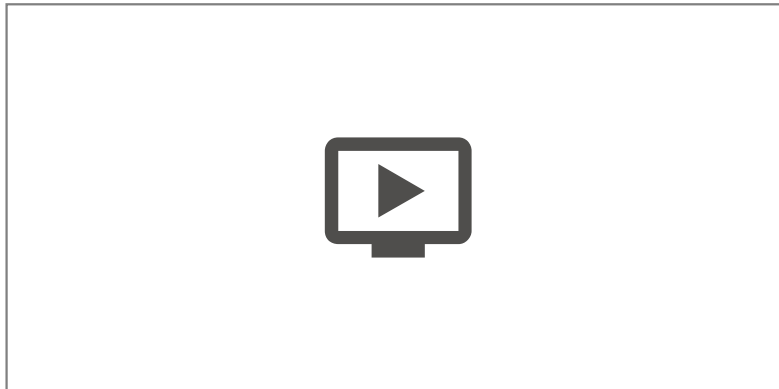
This screen is provided for convenience when completing your year-end to-do list.

To access the **Year End Processing** screen, go to **System Administration > Year End > Year End Processing**.

The Year End Processing screen links to the screens needed when processing year end. As always, these screens are also available from within each module. For example, both these paths lead to the same screen:

- **Payroll > Period End > T4 Processing**
- **System Administration > Year End > Year End Processing > Payroll**

## [Year End Processing Screen](#)



Only the modules licensed and installed on your system appear on this screen. After entering a module on this screen, a green check mark will appear next to the module button, to show what modules you have completed.

For detailed information on processing Year-End for each of the Modules, please see [Payroll Year-end Processing](#) and [Non-Payroll Year-end Processing](#).



Reset

## Modules

Accounts Payable

Equipment Control

Fixed Assets

Materials Management

Payroll

General Ledger

## Instructions

Year End Processing should be performed after the last transactions for the fiscal year are entered and updated. The modules may be selected in any order, but General Ledger is usually completed last.

Exception: if your fiscal year differs from your calendar year you should perform Year End Processing for Payroll at the end of the calendar year (December 31st) and for all other modules at the end of the fiscal year.

### Accounts Payable

- [Build 1099-MISC/NEC Forms](#)
- [1099-MISC/NEC Form Maintenance](#)
- [Print 1099-MISC/NEC Forms](#)
- [Export 1099-MISC/NEC File](#)

### Equipment Control

- [Open Forward Balance Update](#)

### Fixed Assets

- [History Consolidation](#)

### Materials Management

- [Open Forward Balance Update](#)

## Payroll

- Year-End Reports
  - [Quarterly Federal Tax Report](#)
  - [Unemployment Tax Report](#)
  - [Subject-to-Tax Report](#)
  - [State Disability Insurance Report](#)
  - [Worker's Compensation Rate Per \\$100 Report](#)
  - [Worker's Compensation Rate Per Hour Report](#)
  - [Wage and Tax History Report](#)
  - [Employee Earnings History Report](#)
- [Build W-2 Forms](#)
- [W-2 Form Maintenance](#)
- [Income Tax Tables](#)
- Year End Update - see Step 8 of the [Year-End Checklist](#)
- [Period End Clear](#)
- [Print W-2 Forms](#)
- [Print W-3 Forms](#)
- [Export W-2 File and Nelco State Tax Filing](#)

## General Ledger

- [Opening Forward Balance Update](#)
- [Fiscal Calendar Maintenance](#)

## Payroll Year-end Processing

This topic walks through the different Spectrum functions you will use for year-end processing of U.S. payrolls.

These functions are available through **System Administration > Year End > Year End Processing > Payroll**, or through the Payroll module.

## Payroll Reports

We recommend running and saving/archiving the following reports. They are available through **Payroll > Reports** or **System Administration > Year End > Year End Processing > Payroll**.

- Quarterly Federal Tax
- Unemployment Tax
- State, County & Local Tax – also called Subject-to-Tax
- State Disability Insurance
- Worker's Comp Rate/\$100
- Worker's Comp Rate/Hour
- State History – also called Wage and Tax History
- Earnings History – also called Employee Earnings History
- Liabilities Reconciliation – available only at **Payroll > Reports**.

[Payroll Year-end Processing](#)



## W-2 Form Maintenance

The W-2 Form Maintenance screen is used to add or edit information produced by the Build W-2 Forms function. It is also the landing page for all W-2 and W-3 processing functions: Build, Print, Listing, and Export.

- Enter numeric fields in dollars and cents (up to \$99 million); cannot be negative.
- Do not enter dollar signs (\$) or commas. Use a decimal point even if the amount is an even dollar amount.
- If needed, refer to the [field descriptions in the Spectrum online Help](#).

### [Payroll Year-end Processing](#)



## Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

## Build W-2 Forms

Use this screen to update W-2 information. Up to 360 forms per employee are supported. The Build W-2 Forms screen clears the W-2 file and calculates W-2 information based on the payroll earnings history file.

### [Payroll Year-end Processing](#)



Unless the **Write 1 state & locality per W-2?** checkbox is selected, each form contains up to two localities. Even if it is selected, Federal information appears only on Form 1 for each employee. If you are processing W-2 forms through Nelco, and you have multi-state filings to make, please leave this checkbox clear.

## Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

## Separate W-2s by Entity

If entity tracking is enabled for the current company in the Enterprise Installation screen, the W-2 build will break employee earnings onto separate W-2 Forms based on 'Entity code' stored in the Payroll Check History Table. The software will first look to find the particular state or locality's tax code for the entity code and if found, will then look for whether it has an assigned Payer tax ID number. If the state or locality does not have a tax code present, the taxpayer ID will be assigned from the tax table.

For step-by-step instructions on this screen, refer to the field descriptions at [Build W-2 Forms](#).

## Print W-2 Forms

Use this screen to Print W-2s. It's available in two locations:

- **Payroll > Period End > W-2 Processing Print W-2**
- **System Administration > Year End > Year End Processing > Payroll > W-2 Processing > Print W-2**

If W-2s need to be grouped by state when printing, use the **Tax table code** field to specify a state.

[Payroll Year-end Processing](#)



Each year, before W-2 forms are loaded into the printer, we recommend the following:

- Print one W-2 on plain paper to confirm the correct printer destination.
- After printing a W-2 on plain paper, use it to check the alignment of the values with the form. If the W-2 values do not align with the form, please try the following:
  - Use the Actual size print option (no scaling).
  - Select **Export** in the print selection screen (instead of preview) and print to Acrobat (PDF) or Crystal Report Viewer (RPT).
  - Try another browser to print from (if using Chrome, try Firefox and vice versa).
  - Try scaling the print one or more percentage points in either direction.
  - Use a different printer.
- Export the final W-2 print to .PDF format and save it in a read-only, year-specific folder on your server or workstation. This will allow you to reprint the W-2 in the future, if necessary.

For step-by-step instructions on this screen, refer to the field descriptions at [Print W-2 Forms](#).

## Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

## Print W-3 Forms

Use this screen to print the W-3 Transmittal of Wage and Tax Statements form, which is a required form when filing W-2s. Please refer to the IRS instructions on filing forms W-2 and W-3 for detail on SSA requirements.

[Payroll Year-end Processing](#)



Per Social Security Administration (SSA) regulations, the W-3 form is a Federal form not intended for use as a "state" totals page. Please go to **W-2 Form Maintenance** screen, select the **Listing** button, select **Totals only?**, enter the state code in the **Tax table code** field, and use that print-out for state purposes.

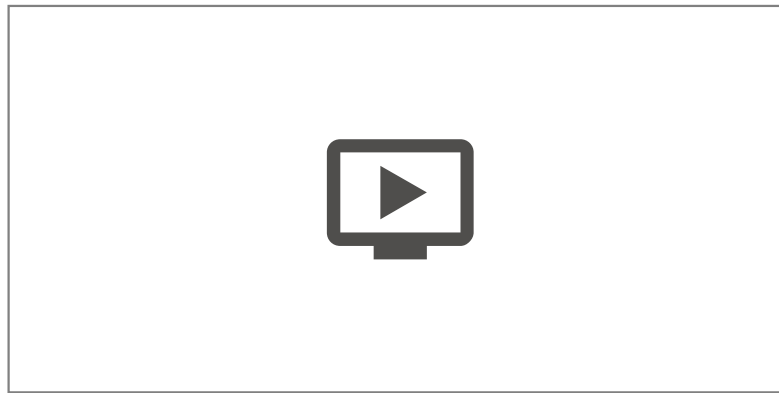
- Box 12a of the W-3 form sums Box 12 figures of the W-2 forms for code letters D, E, F, G, H, S, Y, AA, and BB.
- Box 12 code DD is for the Cost of employer-sponsored health coverage, and code EE is for Designated Roth contributions under a governmental section 457(b) plan.
- See [Print W-3 Forms - Field Descriptions](#) for more detailed information.

## Export W-2 File

Use this screen to prepare W-2 electronic files. There are two electronic file types that can be created from this screen:

- One conforms to the federal electronic EFW2 format.
- One is a comma-delimited file, in a format used by Nelco, a 3rd party processor of W-2s.

### [Payroll Year-end Processing](#)



## Backup W-2 Records to History

Use the Backup option on the W-2 Processing screen to save W-2 information into a new history database table. This process is available before or after the electronic files and printing of forms takes place. While it can be run multiple times, only the latest version is saved.

## EFW2 Format File for Federal Filing

To create the EFW2 format file for Federal W-2 filing:

1. Complete and review the screen selections. For step-by-step instructions, see [Export W-2 File and Nelco State Tax Filing - Field Descriptions](#).
2. For Federal submittal, leave **Tax table** field set to **ALL**.
3. Select **Continue**. A pop-up appears in which you can enter an alternate file name for the export (the file name default is W2REPORT).
4. Select the **Continue** button on the pop-up. The download settings for your browser and / or workstation will determine where the EFW2 format file is saved or how it is opened. If you have questions about this, contact your company IT department.



5. After the EFW2 format file has been created, use Notepad or Notepad++ to confirm the W-2 information has been created.

**i Tip:** Spectrum includes data validations on the Nelco export that are not part of the EFW2 file creation, such as addresses, SSNs, and names on the W-2 Employee records. To do this, select the **Nelco CSV** button before selecting the **Continue** button on the **Export W-2 file** screen. After you've corrected any errors, and the Nelco CSV validation is clean, then select the **Continue** button, and create an EFW2 record with cleaner data.

6. To further validate the contents of the electronic file, the Social Security Administration offers [AccuWage Online](#).

**Note:** All Address fields must be completed, even if the same address is used more than once, or you will receive an error message when you run your AccuWage test.

7. Enter information as needed in each field. Refer to the message line at the bottom of the screen and IRS or SSA documentation for assistance.

## Supplemental Instructions for State filing with the EFW2

Spectrum's W-2 export includes the standard, required EFW2 fields. Many states require additional fields, which are not supported by Spectrum's W-2 export. Please see the [Appendix](#) for a list of states which have additional requirements for electronic filing.

There are several options to create an electronic file that meets these states' non-standard requirements:

- Using Notepad or Notepad++, manually modify the EFW2 file you created using Spectrum.

**Note:** Support cannot assist with modifying EFW2 files.

- Contract with Viewpoint's Professional Services or Technical Services to create a state-specific EFW2 file.
- Contract with Nelco to generate the W-2's.
- To create a state-specific electronic file, enter the tax table code for the state in the **Tax table** field, and fill in the **Tax ID** and **FIPS code** on the screen, before selecting the **Continue** button.

**Important:** The file name always defaults to "W2REPORT." Create separate locations to save the Federal and each individual state file, or be very careful to rename each file upon saving. Unless you save to a different location or use a different file name, each new electronic file will overwrite a previous one.

## Viewpoint Partners with Nelco to Support W-2 Filing

Your Spectrum application can create a comma delimited (.csv) file for uploading to the Nelco site to process W-2s.

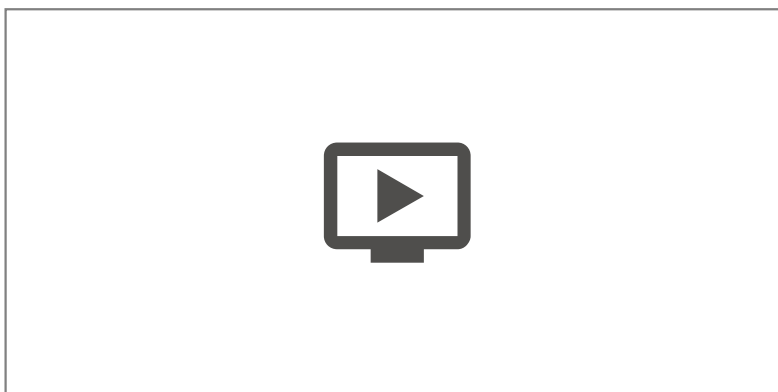
If you want to file using Nelco, and if you haven't already, you'll need to [Create an account at our partner site](#) where you'll be prompted to enter general info (name, address, email) about your company.

**Note:** Nelco has special Viewpoint customer pricing for processing W-2s. Please contact Nelco at 1-800-266-4669 for more information.

After carefully filling out the Export W-2 file screen, select the **Nelco CSV** button. After validating and making any necessary corrections, the system prompts you to save the file (or open it, based on the download and save settings on your workstation).

**i Tip:** If you choose to open the file, use Notepad or Notepad++, as Excel removes leading zeros unless you take steps to prevent it.

## [Payroll Year-end Processing](#)



**Important:** If you are using Nelco to file W-2s, you must enter the State ID in an exact format. Please see the Appendix for a document with State ID format requirements, or contact the taxing agency of each state in question. The State ID should be verified prior to building W-2s. To correct the State Tax ID, enter it at **Payroll** > **Maintenance** > **Tax Tables** and then return to the **W-2 Maintenance** page and perform the Update State ID utility.

Complete and review the screen selections, paying special attention to the tax year selection.

To upload your file to Nelco:

1. Select the **Nelco CSV** button. The Export to Nelco CSV Format information window displays.
2. Select **Continue**.
3. A second information window displays letting you know if the export was successful and listing any exceptions (records containing errors) if they exist.
4. Open the [Nelco partner site](#).
5. Select the **Import Data** link and select the 'Federal Information Reporting' Form Type and .
6. Select the file to upload from your Downloads folder.
7. Select the **Import** button.
8. On the **Forms In Progress** screen, choose the filing services you wish to use, related to electronic filing and delivery of forms to employees.
9. Make sure all the employees for your companies are selected on this screen and select **Next**.
10. If you selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.
11. Review the recipients in your cart and select the **Next** button.
12. On the **Payment Details** screen, enter credit card information.
13. Select the **Pay & Submit** button to complete processing.

## Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

## Non-Payroll Year-end Processing

This topic covers year-end processing steps for the following modules:

- [General Ledger](#)
- [Accounts Payable](#)
- [Equipment Control](#)
- [Fixed Assets](#)
- [Materials Management](#)

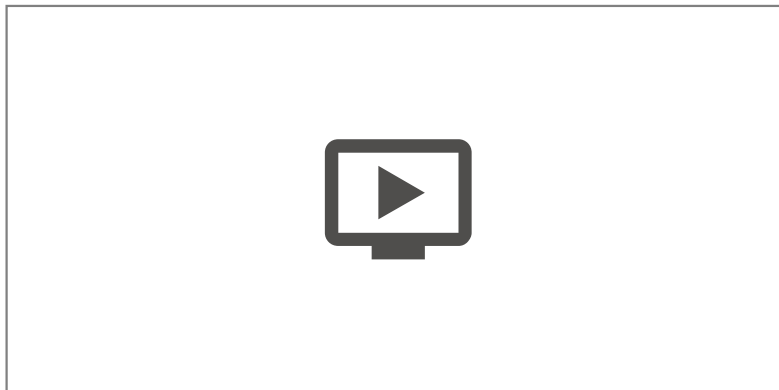
## General Ledger

### Open Forward Balance Update

The Opening Forward Balance Update carries all asset, liability, and equity General Ledger balances forward from one year to the next. All changes are reflected in current balances. Income and expense accounts will be closed to the Retained Earnings account defined in the G/L Installation screen. This update may be run frequently as the company progresses into a new fiscal year. This step should be repeated if changes have been made to the previous year.

**Important:** When using this function, all balance records for the next year will be affected.

#### [Non-Payroll Year-end Processing](#)



- If any of these account types have year-end balances of \$0.00 and a status of **Not used**, the account code is not rolled forward to the New Year:
  - Asset
  - Liability
  - Capital
- All income account codes are closed to Retained Earnings regardless of the account's status.

### Fiscal Calendar Maintenance

The **Fiscal Calendar Maintenance** screen displays all fiscal years presently set up in the current company. Use this screen to set and maintain Journal Entry sequence numbers and ending dates for each fiscal period. Entries you make here control certain defaults and virtually every transaction updated to the General Ledger.

While changes are rarely required in this screen, the end of your fiscal year is a good time to check whether there need to be any additional years added to the fiscal calendar. If changes are made, the dates on historical transactions aren't changed.

#### [Non-Payroll Year-end Processing](#)



## To update the Fiscal Calendar

1. Go to **General Ledger > Period End > Fiscal Calendar Maintenance**.
2. Select the **New Year** button.

The **Add New Fiscal Year** window displays.

3. Press **Enter** until all periods display, and then select **OK**.

**Note:** Use the **Add New Fiscal Year** window to add years to your fiscal calendar. After entering the number of periods, press **Enter**. The dates and period labels for the next future year default, and you are able to edit the period labels. Next, the **Auto-Create Additional Fiscal Years** window displays, allowing you to create up to nine additional years based on the established settings.

4. Display the new Fiscal Calendar. Review the new dates to verify the update.
5. Select the checkmark to save and exit the calendar.

## Processing Dates Maintenance

At the end of each fiscal year, your system's maximum dates in all modules must fall in the new year.

When you open the **Change Processing Dates** screen, date-based changes are disallowed for all other users. Anyone else making entries in that company must wait until you close the screen to process date-based transactions.

1. Go to **System Installation > Processing Dates**.
2. Make any necessary changes.
3. To save changes, select **Save** and/or the checkmark in the upper right hand corner until the screen has returned to the **Site Map**.

## Accounts Payable

### Managing Vendors with 1099s

The IRS requires that if you make payments in excess of \$600 to certain groups, you must prepare 1099-MISC/NEC forms and send copies of the forms to the IRS and vendor(s). Complete the following steps to ensure that your vendor and their 1099 information are set up properly within Spectrum.

### Set up the Vendor



1. Go to **Accounts Payable > Vendors**.
2. Select the **Properties** button and complete the **Payment due**, **Discount due**, **Insurance**, **Status**, and **Invoice defaults** sections.
3. In the **1099-Misc** section of the **Properties** window, select the **1099-Applicable** checkbox and then complete the **Alternative name** field.

**Note:** It is suggested that you complete the **Alternative name** field in case the vendor uses multiple names when filing.

4. In the **Amount indicator** field, use the drop-down menu to select the 1099 form's payment indicator.
5. Complete the **Social Security #** field or the **Payer Tax ID number** field.

**Important:** Do not wait to until a later time or date to complete this step.

6. Complete the remaining fields and then select **OK** until you return to the **Site Map**.

## Vendor Year-end Processing

1. Go to **Accounts Payable > Period End > 1099 MISC/NEC Form**, or go to **System Administration > Year End > Year End Processing > Accounts Payable > 1099 MISC/NEC Maintenance**.
2. Select the **Build** button to open the Build 1099-MISC/NEC Forms screen.
3. In the **Vendor** field, enter the vendor code, press F4 to select a valid vendor code, or press **Enter** to accept the default of all vendors.
4. In the **From date** field, enter the first payment date to be processed. Normally, this is 01/01/YY.
5. In the **Through date** field, enter the final payment date to be processed. Normally, this is 12/31/YY.
6. In the **Minimum amount** field, enter the minimum year-to-date payment amount for the vendor 1099s. Vendors with total payment amounts less than the amount entered in this field will not be updated to 1099 processing.
7. Select **Continue** and then select **Save** until you return to the **Site Map**.

## 1099-MISC/NEC Maintenance

The 1099-MISC/NEC Form Maintenance screen displays a list of all the vendors currently receiving a 1099. You can also use this screen to update and print 1099-Misc forms for vendors.

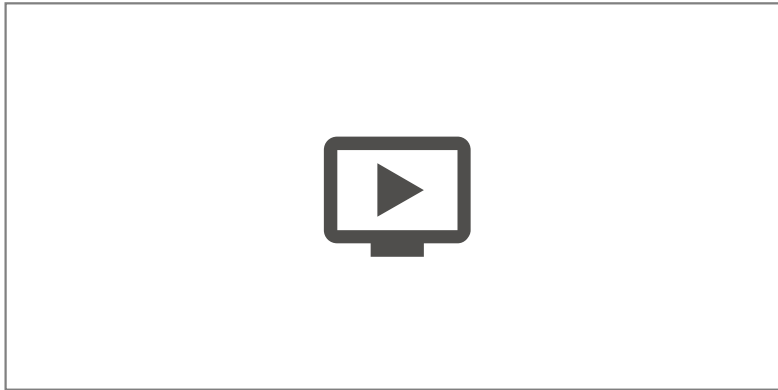
1. Select **New** to create add a new 1099-Misc recipient, or select a record and select **Edit** to make changes.
2. This screen provides vendor status protection. Entry is prevented when the vendor status is **Not Used**. A warning displays when the status is **Inactive**.

## Build 1099-MISC/NEC Forms

This update is used prior to printing 1099-MISC/NEC forms to collect necessary information from throughout the software. In order for 1099-Misc forms to be accurate, it must be run prior to the Vendor History Purge.

To support tax law guidelines requiring companies to omit payments made by a "third party network" (for example, credit card processor) from this form, the Build 1099-MISC/NEC Forms exclude payments made from Cash Management credit card accounts and any payments made via Comdata. The Vendor 1099 report also excludes these payments.

### [Non-Payroll Year-end Processing](#)



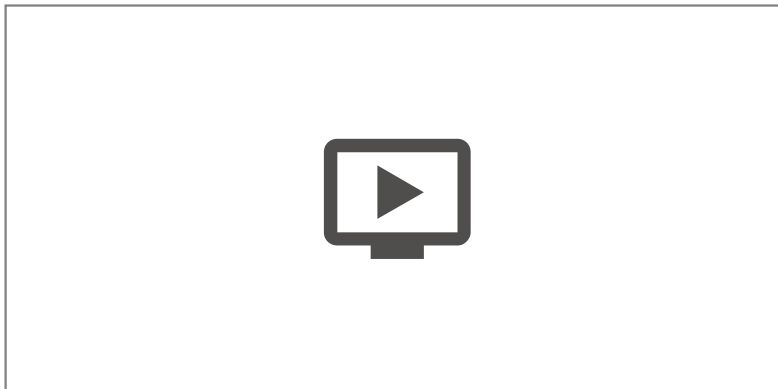
## Print 1099-MISC/NEC Forms

Use this screen to print 1099-MISC/NEC forms. Form 1099 information is generated either through 1099-MISC/NEC Form Update or through 1099-MISC/NEC Form Maintenance. The payer name, address, and telephone number shown on the 1099-MISC/NEC form are printed based on information stored in the Company Installation screen.

### Note: About Address 2

- If you want to see the entry of your company's Address 2 line, go to **System Administration > Installation > Company > Properties tab**.
- For the Recipient, if you want to include any data that is on Line 2, enter it manually on Line 1.

### [Non-Payroll Year-end Processing](#)



## Export 1099-MISC/NEC File

Use this screen to export 1099-MISC/NEC forms. Only 1099s that are filed electronically display in this screen.

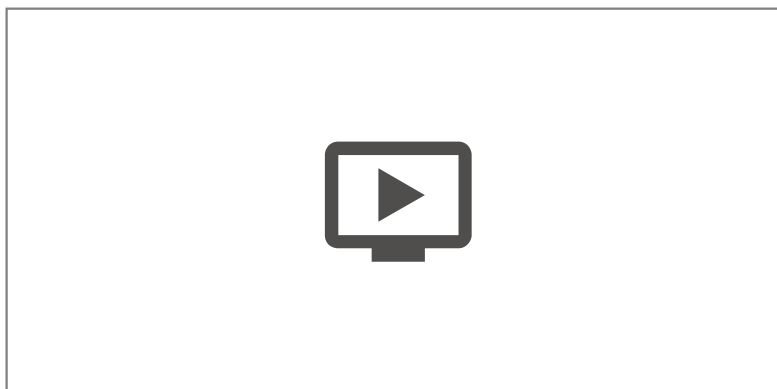
1. All entries must be capitalized per Internal Revenue Service (IRS) specifications.



- The transmitter is the party preparing the 1099-MISC/NEC file. The contact name is the party the IRS will contact should there be a problem. These may be the same.
- If 'Entity tracking' is enabled in **Enterprise Installation**, this export segregates forms by Entity. In these cases, the Export file contains the 'entity' name and address, when applicable, in place of the **Company Installation** information. Whereas the 'payer tax ID number' for the 'main company entity' is entered as the forms are built, the entity-specific 'payer tax ID numbers' are derived from the Entity setup.

**Note:** While entering tax ID and address information, do not include punctuation characters.

### [Non-Payroll Year-end Processing](#)



## Viewpoint Partners with Nelco to Support 1099-MISC/NEC Filing

Your Spectrum application can create a comma delimited (.csv) file for uploading to the Nelco site to process Forms 1099-MISC/NEC.

If you want to file using Nelco, and if you haven't already, you'll need to [Create an account at our partner site](#) where you'll be prompted to enter general info (name, address, email) about your company.

**Choose one of the following filing bundles**

**BUNDLES**

Federal E-filing, Recipient Mail, & Online Retrieval

**OR any service option(s)**

**A LA CARTE SERVICES**

**Federal E-Filing**

Recipient Mail & Online Retrieval

**SUBTOTAL: \$4.80**

*Price List*

**LEGEND:**

- Selected for Service
- Previously Filed
- Selected for Reprint

**FORMS IN PROGRESS** [Delete All Forms](#)

Choose services (left) and affected Recipient (below) to add to cart. NEXT ▶

**Import Company**

1095-C (4 records)	Federal Filing	Recipient Copy
<input checked="" type="checkbox"/> Doe, John A Jr	✓	
<input checked="" type="checkbox"/> Johnson, Jim P	✓	
<input checked="" type="checkbox"/> Smith, Jane F	✓	
<input checked="" type="checkbox"/> West, Pam J	✓	
<b>UNSELECT ALL</b>	4 record(s) selected	0 record(s) selected

**CLEAR SUBMISSION HISTORY**

**NEXT ▶**

Complete and review the screen selections, paying special attention to the tax year selection.

- Select the **Nelco CSV** button. The Export to Nelco CSV Format information window displays.



2. Select **Continue**.
3. A second information window displays letting you know if the export was successful and listing any exceptions (records containing errors) if they exist.
4. Open the [Nelco partner site](#).
5. Select the **Import Data** link and select the 'Federal Information Reporting' Form Type and select the File to Import.
6. Upload your .CSV file to the Nelco site from your Downloads folder.
7. Select the **Import** button.
8. On the **Forms In Progress** screen, choose the filing services you wish to use, related to electronic filing and delivery of forms to employees.
9. Make sure all the employees for your companies are selected on this screen and select **Next**.
10. If you selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.
11. Review the recipients in your cart and select the **Next** button.
12. On the **Payment Details** screen, enter credit card information.
13. Select the **Pay & Submit** button to complete processing.

**Important:** Iowa filers:

When filing 1099's electronically with Nelco, the state of Iowa requires an additional electronic filing number. To support this Business eFile Number (aka 'BEN'), a new field titled 'Electronic filing #' has been added to the Export 1099NEC/MISC File page.

## Equipment Control

### Open Forward Balance Update

The Open Forward Balance Update screen resets the opening revenue and cost balances for a new fiscal year from the previous year for each piece of equipment. This is a necessary update when moving from one year to the next, and may be run numerous times.

#### [Non-Payroll Year-end Processing](#)



This function is available at **Equipment Control > Period End > Open Forward Balance Update** or **System Administration > Year End > Year End Processing**.

1. Select **Equipment Control**.
2. Select **Open Forward Balance**.
3. Enter the fiscal year most recently completed.
4. Select **Continue**.

## Fixed Assets

For Fixed Assets year-ended processing, often companies are required to report on assets that they acquire or dispose of that year, and report on YTD depreciation.

## YTD Depreciation

YTD depreciation can be reported by going to **Fixed Assets > Period End > Depreciation History Report**, running the Depreciation History Report for the 01/01/YY through 12/31/YY dates (and then canceling out of the optional Purge step which appears on another screen).

## Disposal

To dispose of an asset without deleting it and to report on the disposal at year-end, perform the following steps:

1. Create a Department at **Fixed Assets > Maintenance > Department** for all assets that are disposed of in the current year.
2. When an asset is retired, sold, disposed of, and so on, set the asset to **Inactive** status at **Fixed Assets > Maintenance > Fixed Assets Master**, to stop depreciation calculation.
3. Enter the date retired and sales price (if applicable) on the asset, and change the department on the asset to the department created in step 1.
4. These changes are not recorded in the general ledger. If you have sold the asset, create a journal entry to reduce the asset, accumulated depreciation amount, and gain/loss on sale, and more.
5. To report on asset disposal for the year, run a fixed asset listing (go to **Fixed Assets > Maintenance > Fixed Assets Master**, select the **Listing** button), using the department created in step 1.

## Deletion

If you choose to delete an asset entirely from Fixed Assets, you can report on disposed assets with the Deletions Report, at **Fixed Assets > Reports > Fixed Assets Deletions**. Only deleted assets appear in the Deletions report.

**Note:** Once viewed, the Fixed Assets Deletions report prompts you to purge the data (it purges the retirement activity). If you've never run these reports before, or opted not to purge, you may see several years of data.

1. Go to **Fixed Assets > Maintenance > Fixed Assets Master**.
2. Press **Enter** to see all your assets.
3. Locate and select the asset you have sold.
4. Select the **Delete** button.
5. Select **OK** to confirm.

## Addition

When you run this report, please retain it as a permanent record of the company, as it cannot be recreated.

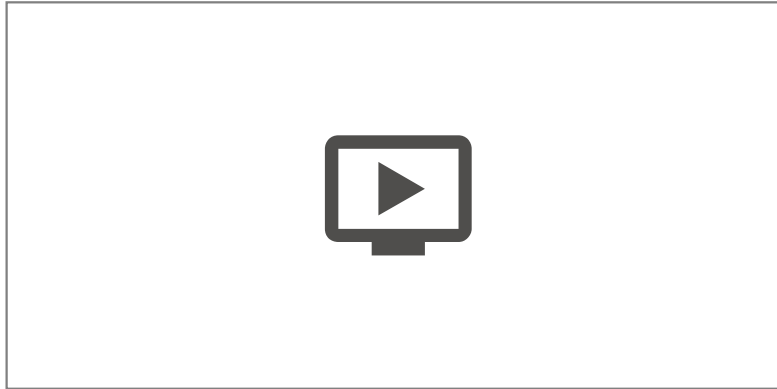
To report an asset addition to Spectrum, go to **Fixed Assets > Reports > Fixed Assets Additions** and select **Preview**. All assets that have ever been added and not yet purged from this listing appear in this report.

**Note:** Once viewed, the Fixed Assets Addition report prompts you to purge the data (it purges the addition activity only, not the asset or depreciation records). If you've never run this report before, you will likely see several years of data.

## History Consolidation

The Fixed Assets History Consolidation is an optional function and used only if you have purged General Ledger depreciation records in General Ledger for prior years.

### [Non-Payroll Year-end Processing](#)



This function is available at **Fixed Assets > Period End > History Consolidation**, or at **System Administration > Year End > Year End Processing**.

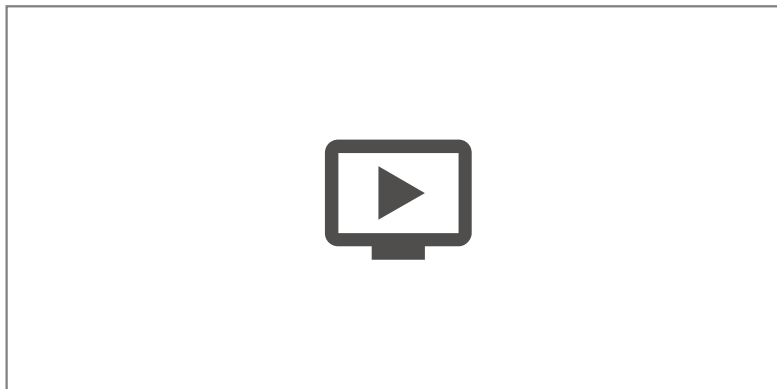
1. Select **Fixed Assets**.
2. Select **History Consolidation**.

## Materials Management

### Open Forward Balance Update

The Open Forward Balance Update function rolls the totals of the plant production file from one year to the next.

### [Non-Payroll Year-end Processing](#)



This function is available at **Materials Management > Period End > Open Forward Balance Update** or at **System Administration > Year End > Year End Processing**.

1. Select **Materials Management**.
2. Select **Open Forward Balance**.
3. In the **From fiscal year** field, choose a year from the drop-down. The ending balance of that year will roll to the opening balance of the next year.
4. Select **Continue**.
5. Select **OK** to confirm.

## Affordable Care Act Processing

Form 1095-C is used by employers that are required to report their offers of health coverage to the IRS and employees. It is issued to an individual by an employer subject to 'employer shared responsibility' for providing minimum essential health coverage to any of its employees.

Viewpoint has partnered with Nelco to provide initial e-filing at no cost. Nelco can also handle any follow-up 1095-C corrections for a fee, and printing and mailing of physical forms are also available for an additional fee.

**Note:** These forms are exported from each of the companies where the employees are set up, and each file can be separately uploaded to Nelco for processing.

### [Affordable Care Act Processing](#)



## 1095-C Processing

Open the **Payroll > Period End > 1095-C Processing** screen to add and edit employee-specific reporting information. Individual employee records can be edited and deleted, and new records can be manually entered here.

After the year is entered, the grid populates with the codes and names of employees who have been paid in this company in the year. Entries from previous years will be saved, and will re-appear when that year is entered.

If employees and dependents have been setup in Human Resources module (see the [Affordable Care Act Setup](#) section for more information), employee dependent information automatically populates into Part III of the 1095-C form.

- To edit an employee record, select the record in the grid, and select the **Edit** button.
- To delete an employee record, select the record in the grid, and then select **Delete**.

## Export Worksheet

To make the process of filling in lines 14-16 of the 1095-C easier, select the **Export Worksheet** button to export a 1095-C Excel template.

**Note:** The worksheet does not include any previously entered 1095-C entries.

To save the worksheet, follow these steps:

1. On the pop-up screen, enter the reporting year.
2. If your company provides health insurance for your employees, select the **Employer provided self-insured coverage?** checkbox.
3. Enter the name of the file. The file created is a comma-delimited file, and is not given an extension by Spectrum.
4. Select **OK** and download the file to your workstation.
5. Open Excel with a blank workbook.

6. Select into the **Data** tab.

7. Select **From Text**.

8. Search for the file entered in Step 2 at the download location (if you didn't give the file an extension, choose to look for all files).

9. Choose the file, and select **Import**.

**Note:** If you don't choose the Import option for opening the file, all leading zeros will be dropped from the file, negatively impacting birth dates and employee codes.

10. Use the following settings to import the data:

- Select Delimiters = Comma
- Data Type Detection = Based on entire dataset
- Select **Transform Data**
- Select all columns in the data preview:
  - Select the left-most column with your mouse
  - At the bottom, scroll all the way to the right
  - Holding down the shift key, select the right-most column with your mouse
  - Add filter to use first row as header

11. Select **Close & Load**.

The worksheet is populated with a list of employees who were paid in the year entered, and columns for entering, per month, lines 14 – 16 for each employee. For self-insured employers, the list may also include employee and dependent records for filling out Part III, and does include blank columns for filling out Part III.

For import, save the worksheet as a .csv / comma-delimited file.

## Import Worksheet

On the Form 1095-C Maintenance screen, select the Import Worksheet button to import information from the Employee Worksheet (saved as a .csv file). The imported records will change existing records where the employee code / employee name matches (including writing blanks over previously entered data). If an employee code is not on the import file, existing records will not be impacted.

To add employee information, select an employee, select the edit button to open the Edit Form 1095-C window and make changes to an individual employee. The 'Offer' fields and the 'Safe Harbor' fields each provide drop-down lists for IRS-designated codes.

## File ACA forms using Nelco

Before exporting ACA data to Nelco, there are a few additional steps:

- Contact Nelco at 1-800-266-4669 to obtain your prepaid 1095-C filing code. You will need to provide the total number of customer records you are processing, and your Spectrum customer ID. If you do not know your customer ID, contact Support using the [Viewpoint Customer Portal](#).
- Select the **Print Forms** button on the Form 1095-C Maintenance screen, and review all 1095-C reports for accuracy and completeness.
- Once all entry in Spectrum is complete, select the **Export** button to export the data for electronic processing. The Export to Nelco information window displays.
- Enter a contact and phone number for your company, and select **Continue** to proceed with the export.

- Save the file to your workstation.

**Note:** Do not open the export file in Microsoft Excel, as this will remove leading zeros from, for instance, codes and birth dates. If you need to make any changes to the export file, use a text editor like Notepad, or make changes in Nelco's portal instead.

Import your 1095-C data into Nelco for processing:

- Open the [Nelco partner site](#).
- Select the **Import Data** link, select the 'Affordable Care Act Reporting' **Form Type**, and then select **File to Import**.
- Navigate to and select your .CSV file.
- Select the **Import** button.

**FORMS IN PROGRESS** [Delete All Forms](#)

Choose services (left) and affected Recipient (below) to add to cart. **NEXT ▶**

**Choose one of the following filing bundles**

**BUNDLES**

- Federal E-filing, Recipient Mail, & Online Retrieval

**OR any service option(s)**

**A LA CARTE SERVICES**

- Federal E-Filing
- Recipient Mail & Online Retrieval

**SUBTOTAL: \$4.80**  
[Price List](#)

**LEGEND:**

- Selected for Service
- Previously Filed
- Selected for Reprint

**Import Company**

1095-C (4 records)	Federal Filing	Recipient Copy
<input checked="" type="checkbox"/> Doe, John A Jr	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> Johnson, Jim P	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> Smith, Jane F	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> West, Pam J	<input checked="" type="checkbox"/>	

**UNSELECT ALL** **4 record(s) selected** **0 record(s) selected**

**CLEAR SUBMISSION HISTORY** **NEXT ▶**

- On the **Forms In Progress** screen, choose the filing services you wish to use. Remember that Federal E-filing is provided at no cost with the prepaid filing code from Nelco, and printing and mailing services are available for an additional fee. If you only want to file the 1095-C Forms, select the 'Federal E-filing' option from the A LA CARTE SERVICES section.
- Make sure all the employees for your companies are selected on this screen and select the **Next** button to proceed.
- If you selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.
- On the **1094-C Data Entry** screen, enter Applicable Large Employer (ALE) Member transmittal information for your company. Refer to the IRS instructions for details on entering this information.
- Review the recipients in your cart and select the **Next** button.
- On the **Payment Details** screen, enter the Prepaid Filing Code you received from Nelco earlier and select the **Apply Code** button. If you are having Nelco print and mail the forms for you as well, you will need to enter credit card information on this screen for those services.
- Select the **Pay & Submit** button to complete processing.

## Troubleshooting and FAQs

Find answers to frequently asked questions about year-end for United States payrolls.



[Preparing for Year-End](#)



[Closing the Payroll Year](#)

[Common Year-End Mistakes](#)

[Affordable Care Act](#)

[Printing](#)

[Electronic Filing](#)

[Third-Party Sick Pay](#)

## Preparing for Year-End


Answers to some of the most common questions related to preparing for year-end processing.

### How many forms should I order?

If you plan to use the plain-paper format of the W-2 and file electronically, you don't need to order forms.

If you do need to order forms, a reliable way to determine how many forms might be needed is to perform the Build W-2 Forms and print the "totals only" format of the W-2 Form Listing. This report includes "# of W-2s" on the page.

Allow extra pages for potential alignment errors, printer jams, and reprints for employees who may have lost their W-2s.

 **Tip:** Some filers opt to order twice the number of forms they expect to need. Should an error be found at the last minute, this ensures that the entire W-2 run can be successfully reprinted before the deadline.

### Do I need any programming modifications in order to produce W-2s and 1099s at the end of this year?

Please load Spectrum 2023 R3 for up-to-date Year-End programming on W-2s, 1099s, and other year-end functions.

### How do I show life insurance in excess of \$50,000 and/or personal use of company-owned automobile on the W-2?

The IRS publishes a table detailing the amount of earnings to be applied. Contact your accountant for more information regarding your company's specific responsibility. See [Year Round Benefit Setup for Year-End Reporting](#) for more information on recording benefits in your Spectrum application.

### What can I do before my final payroll cycle this year to prepare for year-end?

There are several things you can do now to make year-end processing easier:

- Review these Help pages carefully.
- Order forms if you don't plan to use the plain-paper W-2 format.
- Print copies of the **Notice to Employee** if you plan to issue plain-paper W-2s.
- Collect information on state, county, and local tax changes.
- Record benefit accumulations for each employee. Consult your CPA for more detailed information on your company's specific obligation.
- Perform a W-2 pre-test.
- Print the **Wage and Tax History Report** in summary for each state and verify that no major corrections are needed.
- Update to the Spectrum year-end version (R3).

## What is a W-2 pre-test?

The W-2 pre-test is a test performed before the end of the tax year. We recommend you perform a pretest of your W-2 processing, particularly if you are a new Spectrum user or operating in a different state for the first time. This can be done well in advance of year-end - it is not necessary to wait until January 2024 to begin the review process.

- Run the Build W-2 Forms function.
- Review the year-to-date 2023 information for accuracy.
- After the final payroll cycle of the year, run the Build W-2 Forms again; this clears all information and rebuilds the file automatically.

## What should I do if I find a problem during the pre-test?

If you find a problem and you are not sure how to correct it, you may submit a case through the [Viewpoint Customer Portal](#).

## Closing the Payroll Year

Answers to some of the most common questions related to closing the payroll year.

### I have received a software update, but haven't loaded it yet. How will this affect year-end processing?

Please load the year-end (R3) version of Spectrum before performing year-end processing.

### When should I close 2023 payroll?

Plan to perform the year-end tasks any time after you complete your last payroll check dated 2023 and before you issue any checks dated 2024. Spectrum does not require you to do these steps on December 31st.

### What does the Year End Update function do? What effect does it have on my permanent payroll records in Spectrum?

The Year End Update resets all employees' year-to-date balances to zero.

If the **Deduction/Add-on Code** flag is set to clear at year-end, the Year End Update also sets the accumulated balance in the recurring deduction file to zero.

The Year End Update does not remove any historical employee data.

### May I start my first January payroll before printing W-2s?

Yes, but take the standard precautions.

After finishing the last payroll for 2023, go to the **W-2 Form Maintenance** screen and perform a **W-2 Build**, and review the totals. Do this prior to the Year End Update step. The W-2 print does not have to be performed at this time.

Once the Year End Update is performed and the first payroll cycle is run, revising the previous year's information is much harder.

### How do I go about reviewing the accuracy of the W-2 information?

It is best to review the information stored in each box on the W-2, beginning with your company name, address, and employer identification number and then working through each amount box after that. You should also check the totals page on the **W-2 Listing**, compare it to balanced payroll records, and then review the individual W-2s.



## What happens if my first 2024 payroll has a period end date in December 2023?

This is not a problem. W-2s must be produced on a strictly calendar-year basis (using check date), so this cycle will be part of the 2024 totals regardless of the period end date.

If you have the Period-end date or Work date expense accrual options selected on the Payroll Installation Properties tab, then expenses for this cycle will be reflected in December.

## I want to delete (purge) terminated employees. How do I do this?

An employee may be purged by using the **Delete Employee from Current Company** screen in **Payroll > Utilities**.

## My fiscal year is different than the calendar year. Is there anything special I should know?

Because payroll is based on the calendar year, you will need to perform the Year End Update in the Payroll module, even if you maintain the rest of Spectrum on a fiscal year basis. Run the Payroll Year End Update only at the end of each calendar year, and not timed with the end of your fiscal year.

## My fiscal year-end is December 31st. Is there anything special I should know?

Your Spectrum application provides an unlimited Fiscal Calendar in the General Ledger module. To add new years or historical years to this calendar, see the General Ledger Help.

## How do you recommend I balance payroll for W-2s?

There is no substitute for sound procedures throughout the year. In general, the basis for year-end balancing should reflect the sum of accurate quarterly filings and routine reconciliation of liability accounts and bank statements.

- Bank Statement reconciliation. The best method for detecting manual and void checks that have not been entered into the system is through the bank statement reconciliation, which should be completed through 12/31, prior to issuing W-2s.
- Balance GL payroll. Verify that all General Ledger payroll liability account balances are reconciled through 12/31, prior to issuing W-2s. Use the **Payroll > Reports > Liabilities Reconciliation report** for this purpose.
- For reconciling individual W-2 boxes:

**Boxes 1-6:** Reconciling boxes 1-6 on the W-2 should focus on matching the sum of the four **Payroll > Reports > Quarterly Federal Tax Reports**, sometimes referred to as the 941 Federal Quarterly Report, filed during the year. If a difference is found (beyond 'fractions'), reprint the Quarterly Federal Tax Report in Spectrum to determine whether changes may have occurred after the filing was made (backdated checks or voids). When attempting to locate a difference, the figures on the quarterly report should then be reconciled to the Tax History Report for the same date range. The source information for both the Build W-2 Forms and this history report is the employee state tax history file.

**Boxes 9-14:** Reconciling boxes 9-14 for dependent care benefits, 401(k), and other amounts is best done by printing the Deduction History and Add-on History Reports.

**Boxes 15-20:** Reconciling boxes 15-20 for state and local information is best done using the Wage and Tax History Report or the Subject-to-Tax Report.

## We've instituted a Health Savings Account (HSA) this year. How do we record this on the W-2?

Create a deduction for the employee portion, and an add-on for any employer contribution. Both the add-on and deduction codes are added to Box 12 when Spectrum builds the the W-2.

Please see the [Benefit Setup](#) section in this help file for details on recording benefits in Spectrum.

## How should our company report the total cost of employee Health Care Benefits?

Spectrum's **W-2 Build** can be set to net Add-on and Deduction codes. Simply select both in the setup for Box 12. See [Payroll Year-end Processing](#) for more information.

## I cannot locate the "Totals Only" option. Where can I find this report?

The Listing option on the **W-2 Form Maintenance** screen provides a 'Totals only' option.

## How do 401(k) and Cafeteria/Section 125 amounts show up on the W-2?

The 401(k) amounts deducted from employee earnings are shown in Box 12. "D" represents 401(k) amounts. You will also notice that the wages for Federal income tax are shown net of 401(k) deductions.

The rules for Cafeteria/Section 125 amounts vary depending on the type and amount of the deduction. Generally Section 125 amounts are not included in Federal wages. Some Section 125 benefits paid by employers must be reported on the W-2. Please see IRS publications covering Section 125 plans for more information and/or consult with a CPA on your specific company's obligation.

Wages subject to income tax at the state and local level may or may not be affected by Cafeteria/Section 125 or 401(k) amounts. Verify this with your CPA.

## How do I show 'pension/retirement' on the W-2?

On the W-2 form, an "X" may be needed in the **Retirement plan** box (contained in box 13 of the W-2) for some or all of your employees.

During the Build W-2 Forms, this can be set automatically, by selecting **Yes – check retirement on all W-2s** or **K – check only for 401k participants** from among the options for the **Retirement plan**. The field can also be edited manually, on an employee-by-employee basis, in the **W-2 Form Maintenance** screen.

## I want to manually add employees to the W-2 file so they will be included when I print and file W-2s in Spectrum. How do I do this?

The **W-2 Form Maintenance** screen is available for this purpose. See [Payroll Year-end Processing](#).

## Our company works in multiple states. I see that the state wages total on the "totals" page of the W-2 Listing is larger than my total payroll. Is there something wrong?

It's not necessarily wrong. The total of all states' wages appear as one total. It is the sum of all of the state amounts. Review the recap cross tabs for individual state wage and tax totals below the summary total on the W-2 Listing.

## One of my employees changed their name during the year. Should I set up a new employee code as part of year-end?

No. Spectrum populates the employee's names on the W-2 based on the field values in **Employee Main Properties**. No additional year-end-related changes are needed.

To change an employee code (not only at year-end):

**Note:** It's important that no one is using the application while this step is being performed - both to speed the process and ensure all records are updated properly.

1. Go to **Payroll > Utilities > Change Employee Code**.
2. Select **New**.
3. In the **Old employee code** field, enter the employee's previous employee code, or use the drop-down to search and select an employee code.
4. In the **New employee code** field, enter the employee's new employee code.
5. Select **OK**.
6. Print the **Employee Code Change Listing** to confirm the entries.
7. Select **Update**.
8. Read the text in the **Code Change Window** and select **OK** to proceed.
9. On the **Employee Code Change Update** screen, select the **Continue** option and select **OK**.

This update changes the Maintenance screens, as well as all of the history files for this individual.

## Our company's 401K plan includes an employer matching program. How can Spectrum be used to track this?

1. Go to **Payroll > Maintenance > Deduction/Add-on Code** and set up a new add-on code.

**Note:** If you select the Percent of related code option as your calculation method, you will be able to attach the 401(k) deduction code that you want to base the calculation on the related code field.

2. On the Add-ons tab, select the **Print on paycheck** checkbox. Do not set up tax effects or vendors. Spectrum calculates the match based on the 401(k) amount deducted each pay cycle.

The Add-On History Report can be used to review these amounts at period end.

## I'm trying to reconcile my Payroll liabilities in General Ledger, but there are no January beginning balances. What's wrong?

If December 31st is your fiscal year-end, it means the G/L Opening Forward Balance Update has not yet been performed.

This important update sets the beginning balances and retained earnings for the new year, and should be performed each time you post additional amounts into the prior year. The Equipment Control and Materials Management modules also have Opening Forward Balance Updates that should be run before year-end and re-run each time you post additional amounts into the prior year.

If the Opening Forward Balance Update has been performed, verify the account type in the G/L master file for the Payroll Liabilities is set to Liability. If an incorrect account type is found, change the type to Liability, and then re-run the Opening Forward Balance Update to set the beginning balance.

## Even though I have closed payroll and am now doing 2024 activity, I haven't closed other modules yet. Is that a problem?

**CAUTION:** Once Payroll has been closed at year-end, do not attempt to record more prior-year activity in payroll. Doing so will corrupt the new year-to-date totals, and taxes will be incorrectly calculated. If prior year entries do need to be made, we've included a special troubleshooting section in this guide that addresses this problem.

For the other modules, you can continue to record prior year transactions for as long as you need. It's common for A/P invoices and other transactions to show up for some time after the year has ended. As each module is closed, set the minimum processing date to fall in the new year and move on to the next module.

## Are there any year-end steps I should plan to do for other modules?

If the Human Resources module is installed, use the **Time Off Management** screen to revise vacation/holiday/sick account balances.

For information on year-end procedures in other modules, please see [Non-Payroll Year-end Processing](#).

## How do I increase the net distribution on cash earnings, such as a bonus, so that tax deductions will not be included in the distribution amount?

Gifts of cash, bonuses, and other cash equivalents can be considered wages for tax purposes, and the employer must withhold and remit all applicable taxes. On occasions when the employer wants to cover the employee share of payroll taxes, the taxes that normally would be an employee liability are treated as additional income to that employee because the employer is paying them.

Example:

You want to award a year-end bonus of \$1000. You will pay the employee portion of Federal income tax (assume 14%), FICA (7.65%) and State income tax (8%). The wages you will need to record and report are calculated as follows:

Wage = \$1,000 / (1 - sum of applicable tax rates)

In this example it is  $\$1,000 / (1 - (0.14 + 0.0765 + 0.08)) = \$1,421.46$

The gross pay of \$1,421.46 is then recorded in **Payroll > Time Card Entry** using one of the user-defined pay types of 1, 2, 3, or SA. Make certain that this pay type you have selected is set up with the correct tax effects in **Tax Exclusion**. Adjustments to the check can be made in **Payroll > Check Adjustment Entry** to generate the desired net amount.

## Common Year-End Mistakes

Solutions to common year-end mistakes.

### I did not perform the Build W-2 Forms before my first payroll in January. What should I do now?

This should not present a serious problem because the Build W-2 Form Update can be run at any time.

When performing the update, simply enter 01/01 through 12/31 to include only prior year amounts. Be sure the FICA limits indicated on the starting screen of the build are those for the prior year. Also, because this step is being performed out of the typical order, pay particular attention during the W-2 review process to be sure all employees (including those terminated and deceased) are included.

### I did not perform the Year End Update before my first payroll in January. What should I do now?

By not clearing the payroll at year-end, certain taxes that contain annual limits (such as FICA, unemployment, and SDI) will not have calculated correctly for most employees.

The payroll cycle must be voided and re-issued to correct this problem. Use the same check date when recording the void cycle, and if multiple cycles must be voided, do each one separately, newest to oldest (01/12 then 01/05, for example).

After the void process has been completed, perform the Year End Update to set all employees' year-to-date amounts to zero. You should also review the Year End Checklist to be sure no other year end steps were overlooked.

Finally, re-enter the new year's payroll cycle(s), as regular or manual checks. Regardless of whether the miscalculated checks have been issued to employees, the system will require that new check numbers be assigned during this cycle. If checks were already distributed, be sure to record the same deductions and net pay as the original checks issued.



## In reviewing the W-2 year-end figures, some employees did not show up in the file to receive a W-2 at all. What should I do?

- You could re-build the W-2s. Any manual changes you might have made in the W-2 Form Maintenance screen will be overwritten, so take a record of what will need to be done again.
- Employees with a status of "exempt" do not receive a W-2. If an employee's status was set to "exempt" in error, manually add the individual to the W-2 Form Maintenance screen.

## I did not change the tax tables for the new year, but I have already processed payroll in the new year. What should I do now?

In nearly all cases, you don't need to do anything.

Any income tax surplus or deficit is resolved on an annual basis when employees file their taxes; based on any number of circumstances, even the correct tax tables cannot prevent this entirely. Small variations in withholding for one or two weeks is not a significant issue.

For instances where the amount for withholding must be a specific amount, take these steps to ensure that the quarterly and year-end reports remain accurate:

1. void the checks
2. apply the most up-to-date tax tables
3. re-issue the checks

## I am reviewing a January payroll and the 401(k) deduction didn't show up during the check calculation. The employee was 'over-the-limit' last year, but it should have started deducting again at the beginning of the year. What's wrong?

It appears as though the 401(k) code's **Clear employee balance at year end** checkbox was not selected at the time the Payroll Update was run. The **Clear employee balance at year end** checkbox in the Deduction / Add-on Code Maintenance screen is used to designate whether to clear accumulated balances at year-end.

Select the checkbox, but don't re-run the Payroll Update. Because the new payroll year is already in progress, it would be a mistake to re-run the update.

Instead, select the checkbox and then recalculate only this employee's payroll amounts. To do so, navigate to **Payroll > Utilities > Rebuild Employee File**. This action clears out the YTD balance, which causes the deduction to resume.

## An employee loan paid off last year has started showing up on the employee's check again. It was a recurring deduction that reached the limit months ago. What's wrong?

It could be that the **Clear employee balance at year end** checkbox on the deduction code was selected, which cleared the accumulated balance at year-end. Because the accumulated balance has been erased, the deduction was taken again.

This deduction is no longer needed for this employee; simply delete it from the Employee Deduction/Add-on Maintenance screen. If the January payroll in which the amount was deducted on the employee check has been updated, refund the amount using the same code.

## Why am I receiving an error message stating: "ERROR- Year End Update must be performed before beginning a pay cycle dated later than <the current year>?"

The **Payroll > Data Entry > Payment Processing > Set New Cycle** screen prohibits users from assigning a check date at the beginning of a new calendar year until after the Year End Update has been performed. This helps prevent incorrect tax

calculations. If you received the error message above, you must perform the Year End Update for the prior calendar year before you continue to process payroll for the new year.

## I need to void a payroll check issued last year. What should I do now?

If you are replacing a check the employee lost, go to the **Payroll > Data Entry > Replacement Check** screen. It is important to use a current date as the replacement check date. This way, both the void and replacement check will post to the current year, thereby creating a net effect of zero in the employee history file for the current year.

If you are voiding a check and not replacing it, or voiding and reissuing with a different amount, it is vital to follow the instructions below to ensure that the W-2 issued and current year payroll records are accurate.

Once the payroll year-end has been completed, all transactions recorded during the payroll cycle (payroll check, bonus check, etc.) must be for the new year. This is because many of the payroll calculations depend upon year-to-date information. If additional prior-year entries are made, the totals which have accumulated since the Year End Update was run will be inaccurate. This means that any additional payroll transactions for the prior year cannot be recorded in Spectrum as part of a payroll cycle.

To correct the prior year error, transactions entered in the following areas may be required:

- **W-2 Form Maintenance** to correct the employee's W-2 information.
- **General Ledger Journal Entry** to correct liability and expense accounts. If subsidiary ledgers (Job Cost or Equipment Control) are affected, this can be recorded as part of the journal entry.
- Make manual notations (in ink) of changes on affected tax reports, such as **Quarterly Federal Tax Report** and the **Unemployment Tax Report**.

An alternative to the above is to reverse all new transactions, and return the Payroll module to the prior year, but this option isn't recommended because it is riskier for a number of reasons.

- It is possible that prior-year information has already been purged during the course of normal year-end processing.
- If any payroll cycles have already been updated, you will need to void all checks issued in the new year, using care to void each check as of the same date it was issued.
- You will need to print and retain paper copies (plain paper is fine) of the **W-2 Listing** and the **W-2 Forms**.

## When I performed the Build W-2 Forms, I did not enter descriptions for Boxes 12 or 14, and/or other entries are incorrect.

- The safest solution is to enter the changes you would like to make into the **W-2 Form Maintenance** screen. However, depending on the nature of the error during the Update, this may present a challenge in determining the correct figures.
- Another option is to perform the **Build W-2 Forms** again, after setting the values correctly. However, this isn't possible if terminated employees or earnings history were purged at year-end. Even if no data was purged, any changes already made in the **W-2 Form Maintenance** screen would need to be re-done after the update.

Print and retain both the W-2 Listing and a copy of the W-2 forms (printed on plain paper) prior to re-updating. Be sure to refer to the **Build W-2 Forms** screen instructions when performing the Update again.

## In reviewing the W-2 year-end figures, the state wages are not correct. The Cafeteria/Section 125 or 401(k) deductions were not set up correctly when the payrolls were originally processed.

### What should I do now?

The figures in the **W-2 Form Maintenance** screen following the update represent the sum of state wages processed during each payroll cycle during the year. If 401(k) or cafeteria/Section 125 tax exempt flags were set incorrectly at any time, this would be the result.



Use the **W-2 Form Maintenance** screen to change these amounts manually. The State, County & Local Quarterly Tax Report and the Deduction History Report will be particularly useful during this process.

## **I have a large figure showing up on the "fractions only" (aka Tax adjustments) line of the Quarterly Federal Tax Report. It's normally just a few cents. What's the problem?**

Confirm that the date range used when the report was printed includes three calendar months or less. It cannot successfully be printed for a wider date range because of the three month daily grid on the lower half of the report. If for some reason you wish to print 09/27 to 12/27 (four months: 09, 10, 11, 12), print two reports and simply sum them.

If you are printing this report in January for date ranges from a prior year, it is possible that the report is incorrect because the Federal tax tables, specifically FICA rates and limits, have already been updated for the new year. If this report needs to be reprinted for the past year, temporarily return the FICA rates and limits to the prior year's figures.

**Note:** Remember to reset them to the current year as soon as you are done!

If there is still a large "fractions only" variance after eliminating the above conditions, search for the cause by gradually narrowing the date-range of the report.

- If you are troubleshooting a problem in a certain quarter, print the three monthly 941 reports (for example, October, November, and December for Q4). It is likely that the variance will show up primarily on one of the reports.
- To further narrow the search, print a separate 941 report for each check date in the month of the variance.
- Once a single week has been identified, use the Wage and Tax History Report and/or the reports printed during the payroll cycle to try to identify the individual entry or entries.
- Take appropriate corrective action once you've found the source of the problem.

## **I printed my Unemployment Tax Report (FUTA, SUTA) and the excess calculation is wrong. What should I do now?**

This report provides information on excess calculations computed during each payroll cycle during the specified date range. Therefore, this report may not be correct if limits were adjusted or 'tax effects' of deductions changed during the year.

If such changes were made, there is a useful Excess Unemployment Report available for use in auditing this problem by recalculating excess amounts based on current settings. This is included as a second format when printing the Unemployment Tax Report.

## **I printed my Unemployment Tax Report (FUTA, SUTA) and the tax calculation is wrong. What should I do now?**

This report does not recalculate the tax based on current settings.

- This report provides information on tax liabilities actually accrued during the payroll cycles during the date range specified.
- These are the amounts that were actually debited to the expense account and credited to the liability account during each payroll cycle.
- If the rate has been changed at any time during the period, the tax amounts will not seem to 'multiply across' correctly.

To confirm that the rate has been altered, and to identify precisely when the change occurred, reprint this report for a smaller date range. Begin the search in January or during April since corrections to these rates are commonly entered as the 1st quarter filing is being prepared.

## **In comparing the unemployment reports for state (SUTA) and Federal (FUTA), I see that the wages are different. What's wrong?**

It may be that nothing is wrong, but this should be investigated. This condition will occur when deductions carry different tax effects for the SUTA and FUTA calculation.

The most common example of this is a Cafeteria/Section 125 plan deduction; the wages subject-to FUTA are reduced by any Cafeteria/Section 125 deductions. Your state may not allow a similar exemption.

If your state and 'US' were set up differently for tax effect in the Deduction / Add-on Code Maintenance screen, this would be the result. The Wage and Tax History Report may be helpful because the limits for subject-to wages are defined.

## **I work in multiple states and the sum of the state (SUTA) reports is greater than my total wages. What's wrong?**

It is likely that unemployment was accrued for employees both in the resident and work state at times during the year.

In some cases, it is appropriate to accrue tax in both places, based on lack of reciprocity agreements between states. Other times, it may mean that too much tax was accrued, because unemployment was payable to only one of those states.

To review this further, select a few employees, printing their unemployment reports for a small date range, and then compare them to the Wage and Tax History Report printed during the payroll cycle(s) falling in that date range. This will show unemployment tax accrued for each place, for each employee.

Look for instances where a single employee has wages subject to unemployment and tax accrued in two or more states during the cycle. Unemployment is a complex tax area that varies widely across the country, and it is important to discuss your specific responsibility with your CPA.

## **Affordable Care Act**

This section provides answers to common ACA Processing questions.

### **Which paper forms does Spectrum support?**

Form 1095-C is the only paper form supported. Spectrum doesn't provide the paper Form 1095-B (for small, self-insured companies) or the paper transmittal forms, 1094-B and 1094-C.

### **The IRS doesn't require me to file electronically. Do I still have to file electronically?**

Yes. Spectrum doesn't provide a paper version of Form 1094-C, which is the transmittal form for Form 1095-C. Instead, Spectrum generates a file which you can submit to Nelco directly.

### **What if I need to file Form 1095-B?**

Form 1095-B is for self-insured organizations with less than 50 full-time and full-time equivalent employees. You may complete the forms manually using the fill-in PDF forms from the IRS.

### **What if I don't have the HR module and am self-insured?**

You can import all covered individuals and their information using the Employee Worksheet. All self-insured organizations should keep and maintain the data requested in this worksheet.

### **What if I don't want to file electronically and am self-insured?**

You may complete Form 1095-B manually using the fill-in PDF forms from the IRS.

## Printing

This section provides answers to common questions about printing issues.

### What steps should I take to prepare to print W-2, 1099-Misc/NEC, and 1095-C forms using Spectrum?

Take these steps to prepare for printing year-end forms:

1. Confirm that forms have been ordered (unless you are printing the plain-paper format). Pre-printed forms are available from [Viewpoint Forms](#).
2. Print copies of the **Notice to Employee** if you plan to issue plain-paper W-2s.
3. Review accuracy of W-2 information.
4. Print W-2s on plain paper (to confirm that the printer settings are directed at the correct printer and the figures align in the form).
5. More information is provided in these areas:
  - W-2: Print W-2 Forms section of [Payroll Year-end Processing](#)
  - 1095-C: Print Forms section of [Affordable Care Act Processing](#)
  - 1099-Misc/NEC: Print 1099-Misc/NEC forms section of [Non-Payroll Year-end Processing](#)

### A blank window displays when I preview the W-2, W-3, or 1099-Misc/NEC report. It may have some of the form information on it, but no data is displayed. What can I do?

- Make sure that there are W-2 forms or 1099-Misc/NEC forms to print by verifying that the the Build W-2 Forms or 1099-Misc/NEC Form Update were done.
- Verify that you are logged into the correct company.
- If you can view a W-2 or 1099-Misc/NEC Form on the maintenance screen, but are using selection criteria on the starting screen to select a specific employee, it is possible that you entered the employee code rather than the employee alpha reference (usually the last name). Verify the employee alpha reference in Employees or press **F4** at the **Employee alpha** field to select from a list of valid employee alpha codes.

**Note:** You also have the option to preview all of the forms and then select the page number of the employee you want to print by using the from page number / to page number selection available during the printing process.

### Does Spectrum print the W-3 form (Transmittal of Wage and Tax Statements) that is submitted with the W-2s?

Yes. See the **Print W-3** button on the **W-2 Form Maintenance** screen.

### The W-2, 1095-C, and 1099-MISC/NEC forms print our company name, address, and employer tax identification number. Where does this information come from?

The company name and address are stored in the **Company Installation** screen.

The employer tax identification number is stored in the main **US Tax Table Maintenance** screen.

For 1099-Misc/NEC, input the Federal tax ID number in the print starting screen for 1099s. Go to **Accounts Payable > Period End > 1099 MISC/NEC Form**, and select the **Print** button.

# Electronic Filing

This section provides answers to questions related to electronic filing.

## I am unsure whether we have to file our W-2 or 1099-MISC/NEC information electronically. How do I find out?

Nearly all businesses are required to file electronically.

Businesses filing 10 or more total forms (combined number of any type) are required to use electronic filing to submit W-2 and 1099 information to the Social Security Administration (SSA). The deadline for filing electronically is January 31.

Filing electronically requires pre-authorization.

- If you registered for a User ID and password in a previous year, you may continue to use the same ID as long as you change your password.
- To register for a User ID and password or to change your existing password, go to the SSA website at <https://www.ssa.gov/bsowelcome.htm>.

**Note:** Check with your CPA, the IRS, or the SSA if you have further questions regarding electronic filing.

## Where can I get details about the EFW2 file format?

Go to the Social Security Administration (SSA) Web site at <https://www.ssa.gov/employer/>. In the W-2 Filing Assistance section, select Specifications For Filing Form W-2 and W-2c Electronically ( EFW2/EFW2C).

## What steps can I take to help ensure my electronic W-2 file complies with the EFW2 format for tax year 2023?

Use the SSA's AccuWage Online application.

In your Internet browser, access the Social Security Administration's Web site at <http://www.ssa.gov/employer/accuwage/>.

**Note:** Both address fields must be completed, even if the same address is used twice, or you will receive an error message when you run your AccuWage test.

The Accuwage application identifies many, but not all, wage submission errors.

Additional help with AccuWage files can be found through the [SSA website](#).

Viewpoint does not provide or support this utility.

## Can I use Spectrum to prepare an electronic W-2 filing for my state or local tax jurisdiction?

Some states and local tax jurisdictions will accept the EFW2 format; however, arrangements and approval for reporting to state or local taxing agencies must be made with each individual state or local tax agency. The SSA and IRS do not transfer or process the state record data. Please check with your state or local taxing office to determine if they will accept the EFW2 format.

You can use Spectrum to print state W-2s and produce the W-2 electronic file.

- If the state you are filing with follows standard Federal guidelines, you can submit the file as-is.

- If the state you are filing with varies from standard Federal guidelines, there are other options:
  - Nelco, with whom Viewpoint has partnered to support state filing.
  - Modify the data file manually; for more detail on the steps to follow, see the [Appendix](#).

## Do I need to modify the format of my employees' names for electronic filing?

No.

The EFW2 record format requires that employees' names be separated into first, middle, and last names. Spectrum automatically handles this separation when the employee is entered.

If the employee has had a name change during the year, verify the correct name will print by going to **Payroll > Employees**. Use the drop-down at the employee name to verify first, middle, and last.

## I can't find my W-2 electronic file. Where has it been created?

Different web browsers may download files from your Spectrum application in different ways. Browsers are routinely updated and you may need to refer to your browser's Help files for the latest information.

## The AccuWage guide indicates my employee's name isn't correctly identified. What's wrong?

The EFW2 record format, used for electronic filing, requires that employee names be entered as shown on the employee's social security card (first name, middle name, or middle initial, last name, suffix). Do not include any titles or academic degrees, such as Dr., R.N., or Ph.D. at the beginning or end of the employee's name.

Because the Build W-2 Forms has already been performed, use the **W-2 Form Maintenance** screen to make corrections as needed.

You can make any changes needed for next year now.

To change existing employee names:

1. Select **Payroll > Employees**.
2. Enter or select an employee.
3. Select the drill-down icon next to the employee's name. The **Employee Name Detail** window displays.
4. Make any required changes in the **First, Middle, Last**, or **Suffix** fields.
5. Select **OK** to save your changes.

Additional help with AccuWage files can be found through the [SSA website](#).

## Third-Party Sick Pay

If third-party sick pay is deemed taxable to the company and subject to employer paid FICA, FUTA, and SUTA limits, there are two options to record this information.

**Note:** There may be state, county, or local tax rules that should prompt modifications to this procedure. Please consult with your CPA before continuing.

## Pen and Paper Adjustment

Determine the amount of employer paid FICA, FUTA, and SUTA and make a manual journal entry to record these additional payroll taxes. Make manual adjustments to your payroll reports as needed each quarter.



**Note:** The Quarterly Federal Tax Report (941) would show an adjustment for "third-party sick pay" in the amount of the employer FICA liability. This is the recommended method.

## Enter Manual Checks into Spectrum

Use payroll checks to record the tax liabilities:

1. Select **Payroll > Maintenance > Worker's Compensation**.
2. Set up a third-party sick pay worker's compensation code for any state involved in third-party sick pay.

**Note:** This does not include sick pay in the workers' compensation calculation; the tax rate for this workers' compensation code would be zero.

3. Select **Payroll > Maintenance > Department Expense**.
4. Set up a third-party sick pay department.
5. Select **System Administration > Installation > Payroll**, select the **G/L Codes** tab and change the cash G/L account code to the clearing account used in the Third-Party Sick Pay payroll department.
6. If Cash Management module is present, on the **System Administration > Installation > Cash Management** screen, select **Bank Accounts** and deselect the option to post payroll transactions.
7. Set up a separate pay cycle to record third-party sick pay checks using the applicable period end and check dates. Make sure the Automatic cycle and accrue hourly banks are cleared, select **Turn off auto deposit payments**.
8. Select the **Suppress all in the Recurring deductions and add-ons** checkbox.
9. Enter Manual Check time cards for only third-party sick pay in this pay cycle using the 'SA' pay type, the Third-Party Sick Pay Department and entering the gross amount of the pay. If the employee belongs to a union, remove the wage code and union from the time card file.

**Note:** If you are already using the SA pay type for another purpose, please use the Other 1, 2, or 3 pay type instead. To see the Description setup for these, go to **System Administration > Installation > Payroll > Properties** tab.

10. Calculate the pay cycle.
11. Use **Check Adjustment Entry** to zero out employee-paid withholdings and deductions and select **Save**.
12. Return to Calculation Reports and review the **State Wage and Tax Listing** to verify that only employer-paid FICA, FUTA, SUTA, and other local taxes that are subject to sick leave have been accrued and that all employee-paid withholding is zero. Archive reports for your records.
13. Update the pay cycle as you normally would.
14. Return to the **Payroll Installation** screen to change the cash account back to the cash G/L account code.
15. Turn the **Cash Management** module back on (if you turned it off in step 6).
16. Enter a journal entry to move the total of the employers' FICA amount to the clearing account. An alternative to this entry is to change the employer **FICA G/L account code** in **Tax Table File Maintenance**, and then change it back after this payroll cycle is updated.

## How do I produce a separate W-2 for third-party sick pay?

**Important:** The IRS doesn't require a separate W-2 for third-party sick pay. It is optional.

You can use the existing W-2 to report the third-party sick pay by editing the existing W-2 for this employee in the W-2 Form Maintenance screen and adding the amounts to the appropriate boxes to report the third-party sick pay.



If you want to create a new W-2 for third-party sick pay, note that it will be vital to follow the instructions below to ensure the extra W-2 will be included on the W-2 electronic filing for the SSA:

1. Add the additional W-2 to report third-party sick pay separately from regular wages in the **W-2 Form Maintenance** screen with an employee code that *is different from the existing Spectrum employee code*.
2. Leave the **Form ID** field blank.
3. Continue entering amounts in the applicable boxes of the W-2 to report the third-party sick pay. By using a different employee code, the blank **Form ID** field will allow this extra W-2 to be written to the W2REPORT file, which is created when you select the **Electronic** button.

## Appendix

Find additional year-end information for United States payrolls.

Spectrum's electronic file export uses the basic formatting of the Federal EFW2 specifications. What follows is information on how you might modify the standard Federal file to adhere to the state you're filing with.

Support doesn't assist with modifying electronic files for state-specific formats. You may opt to contract with Technical Services or Professional Services or an outside consultant for such assistance.

### Electronic Filing Instructions for States with Different W-2 Forms

The states listed below require an electronic file format that differs from the basic Federal EFW2 electronic filing specifications. To the best of our knowledge, the state-specific variations are those listed below. Please contact the individual taxing authority of each state you are filing in for information on the current electronic filing specifications.

After creating the standard W2REPORT, open it in Notepad and modify the file per the state's requirements.

#### Alabama

Requires 4 rows in the RS record for each employee that are optional/not applicable in the Federal EFW2 specifications. These are:

- Field 248-257. Your State EIN number. Alabama doesn't want it zero filled.
- Field 298-307. Federal Tax Withheld. This is optional in the Federal EFW2 specifications.
- Field 338-348. Misc Income Field. This is optional "Supplemental Data" in the Federal EFW2 specifications.
- Field 393-396. Payment year field. This is optional "Supplemental Data" in the Federal EFW2 specifications.

#### Colorado

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

#### Connecticut

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

#### Georgia

Requires a carriage return character at the end of each RS record. This is optional in Federal specifications.

#### Idaho

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

#### Maryland

Requires a carriage return character at the end of each RS record. This is optional in Federal specifications.

## Minnesota

Requires the "number of RW records" in the RT record must match the actual count for the employee.

RS Record Location 248-267 State Employer Tax ID is left justified. Leading zeros must be removed; add spaces to the end to maintain field length.

## Mississippi

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Requires a date in spaces 197-202 of each RS record. The field is 6 digits and formatted as "period end and year", so entering 122023 for 2023 is successful.

RW record field 88-109 cannot be blank. This field is the delivery address for the employee.

RW record field 265-275 must be blank. Replace zeros with blanks.

RS record field 95-116 cannot be blank. This field is the delivery address for the employee.

RS record field 225-226 must be numeric. This is "number of weeks worked" and relates to state unemployment.

## Nebraska

Requires additional information in the RV record.

Location 1-2 RV

Location 3-9 Total RS records for Nebraska

Location 10-24 Total Taxable wages for Nebraska

Location 25-39 Total Nebraska income tax withheld

Location 40-512 Leave blank

## North Carolina

Requires a carriage return after the 512th position on each line.

Requires a Software Vendor Code in positions 20-23 of the RE record. This is optional in the Federal specifications, and Viewpoint does not have a Software Vendor Code.

## Oregon

Requires additional information in the RV record.

Location 1-2 RV

Location 3-9 Total RS records for Oregon

Location 10-24 Total Taxable wages for Oregon

Location 25-39 Total Oregon income tax withheld

Location 40-512 Leave blank

## **Pennsylvania**

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Requires the employers 8-digit state employer ID inserted in positions 505-512 on the RE record.

## **South Carolina**

Requires a date in spaces 197-202 of each RS record. The field is 6 digits and formatted as "period end and year", so entering 122011 for 2011 is successful.

## **Vermont**

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Location 248-267 RS record State Employer Tax ID is left justified. Leading zeros must be removed, add spaces to the end to maintain field length.

## **West Virginia**

Location 248-267 RS record State Employer Tax ID is left justified. Leading zeros must be removed, add spaces to the end to maintain field length.

## **Wisconsin**

Location 248-267 RS record State Employer Tax ID (15 digits) is left justified. Leading zeros must be removed, add spaces to the end to maintain field length.

Last updated: November 27, 2023

