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DATE: December 13**, 2021**
SUBJECT: **2021** Year End Instructions for Visual ContrAcct Customers

The end of **2021** is quickly approaching. Now is the best time to review your payroll records, review new filing deadlines, review electronic filing requirements, and make sure everything is in order.

A Visual ContrAcct update will be available soon. Updates are **FREE** for customers with a support contract. An E-mail will be sent out informing you this update is ready to be scheduled.

1) **REVISED 1099-MISC Form, REVISED 1099-NEC Form**
This update will include the **REVISED** 1099-MISC Form and **REVISED** 1099-NEC Form.

2) **REVIEW LAST YEAR'S W-2, 1099 and 1094-C/1095-C FILES TO REFRESH YOUR MEMORY**
Since it's been almost a year, you should review last year's file for any unusual items that required special reporting (group-term life insurance, sick pay, automobile usage, etc.).
If you had to report them last year, you'll most likely have them this year too.

3) **REVIEW YOUR 2021 RECORDS FOR ANY UNUSUAL ITEMS**
If you don't know whether something requires special reporting, check with your accountant. After your accountant tells you what it is and how to report it, we can show you how to put it into your payroll system.

Reminder: Employers filing 250 or more W-2 forms, are required to report the Cost of Employer-Sponsored Health Coverage on W-2 forms and Electronic Filing. Please contact your accountant for assistance. If you are required to report coverage you MUST follow attached instructions **PRIOR** to closing Visual ContrAcct Payroll for 2021.

4) **ENTER TIMECARDS FOR SPECIAL ITEMS BEFORE THE LAST PAYROLL OF 2021**
If you have group-term life, auto usage, and/or TAXABLE third-party sick pay for **2021** and you have NOT been including these items in gross wages throughout the year, you need to do so now by entering timecards.

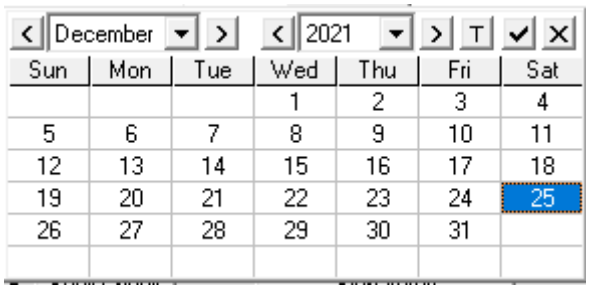
Employees generally need to have payroll taxes withheld from these special items, and if you leave it to the last minute, you (the employer) may find yourself paying the employees' portion of the taxes as well as your own. If you are new to this procedure, please call the support department for complete instructions (this call is free to those customers with support contracts).

If you paid **COVID-19** sick pay wages to employees during 2021, you need to enter these as non-tax amounts in Payroll to show on the W2. Please see instructions below on page 3.

5) **COMPLETE YOUR LAST PAYROLL OF THE CALENDAR YEAR**

The government requires you report earnings based on the **check date**. Your last payroll for **2021** is the pay period ending date in 2021 with the final **pay date/check date** in **2021**.

For example, if your payroll period ends on Saturday and you normally date your checks the following Thursday, your last payroll for **2021** will have the pay period ending date *December 25, **2021***, and the check date (paid) *December 30, **2021***.



6) **COMPLETE THE ATTACHED CALENDAR YEAR END CHECKLIST – PAYROLL**

When you are absolutely sure you will NOT have a payroll check with a 2021 date, follow the checklist steps for Payroll. You will print quarterly reports, miscellaneous year-end reports, backup and zero the employee Y-T-D amounts and change the Payroll tax tables.

We will email 2022 Federal tax changes as soon as we receive them.

If your **FISCAL** year also ends on December 31st, you must complete the attached Fiscal Year-End Checklist for Payroll. The checklists include procedures for closing the year for other modules. Complete these steps *after* you have closed December and *before* you close January for each module.

7) **PROCEED WITH YOUR FIRST PAYROLL FOR THE NEW YEAR**

8) **1094-C/1095-C FORM REPORTING FOR APPLICABLE LARGE EMPLOYERS (ALE)**

Contact your accountant immediately to determine if you must file and how to complete forms. If you determine you will file Affordable Care Act 1094-C/1095-C to EMPLOYEES BY 01/31/2021 and IRS, enter or import 1095-C data into the 2020 employee history file.
Note: If you file IRS 1094-C/1095-C electronically, new filers need to apply for the Affordable Care Act Application for Transmitter Control Code (TCC).

9) **ILLINOIS DEPARTMENT OF REVENUE REQUIRES ELECTRONIC FILING**

The W2Report file created from Visual ContrAcct Reports > Payroll > Year End > W2 Electronic Filing (EFW2) is accepted by the Illinois Department of Revenue "e Services W-2 Transmitter" program. We highly recommend this method:

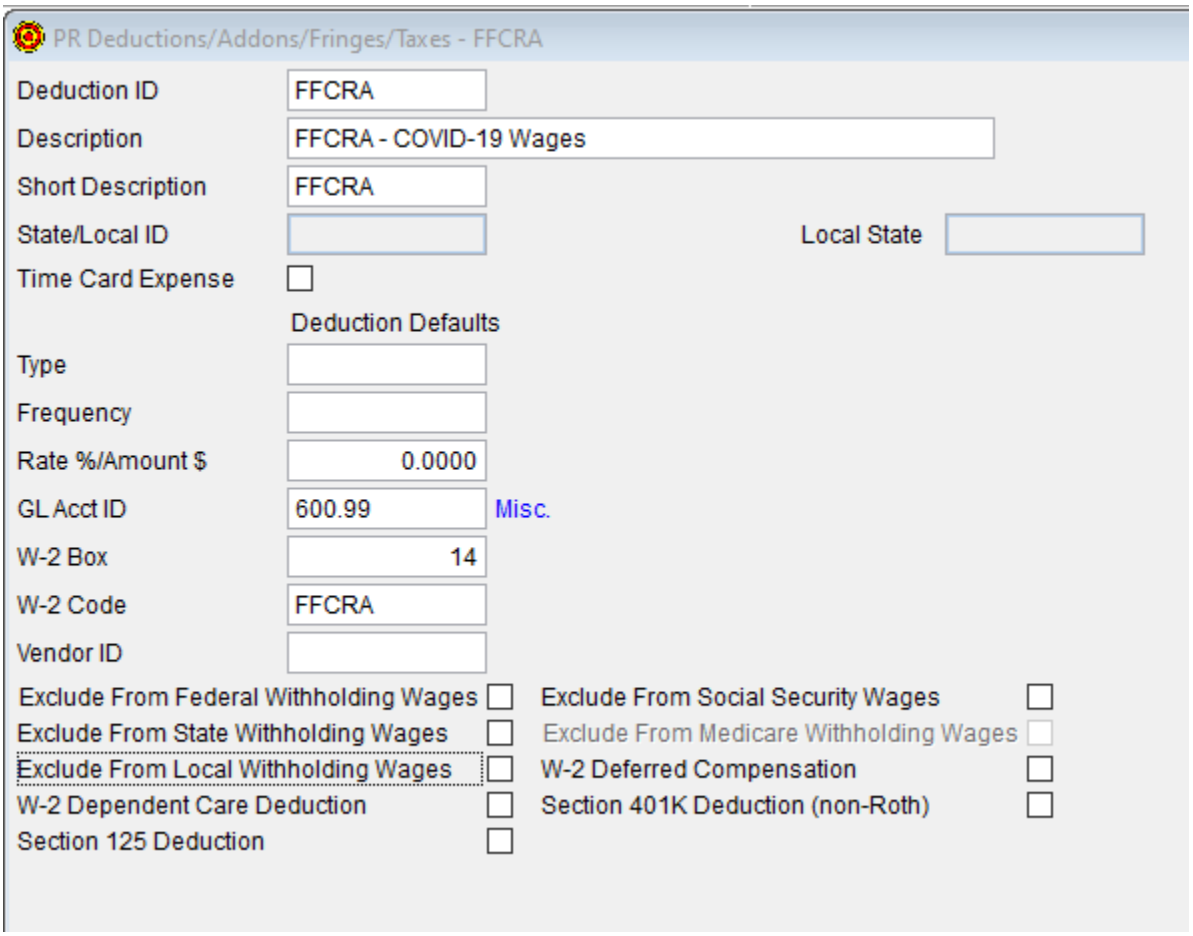
W-2 Transmitter Registration: https://www.revenue.state.il.us/app/wtri/
Electronic Transmission Upload: https://biz.revenue.state.il.us/app/etui/
EFW2 Acknowledgement Inquiry: https://www.revenue.state.il.us/app/etai/

Helpful link: https://www2.illinois.gov/rev/programs/electronicservices/Pages/1099w2.aspx

COVID-19 Wages to show on W2

Get a list of Employees and the Gross Wage amounts they received for FFCRA COVID-19 wages, not the Net Pay. You could run the PR COVID-19 FFCRA Time Card Edit Report by MISC Code with Date Range crystal report to get this information, as long as the timecards are coded with FFCRA.

1. Enter new PR Deduction in Admin>Payroll>Deductions/Addons/Fringes/Taxes for FFCRA, below is print screen on how it should look. You must have a GL Account Number on this deduction for it to be a deduction. You can use a clearing account or misc GL account number.



2. Go to File>Payroll>Employees, enter the deduction on all employees that received FFCRA COVID-19 wages for 2021.
3. After the deduction is saved to the employee file, go to the amount column and enter the amount of FFCRA COVID-19 wages this employee received as a positive number.
   Also enter the same amount in the Maximum column, leave Accumulated and YTD Amounts at zero.

PR Employees - TERRI - Terri Test

Employee Information | Page 2 | Deductions | Quarterly Total

Code	Union ID	Type	Frequency	Amount/%	Maximum	Accumulated	YTD Amount	Ur
125		AMOUNT	EVERY	$30.00	0.00	0.00	240.00	
401K		AMOUNT	EVERY	$125.00	0.00	0.00	1,000.00	
MISC		AMOUNT	EVERY	$16.78	0.00	0.00	134.24	
SWT-IL				0.00%	0.00	0.00	2,991.53	
SWT-WI				0.00%	0.00	0.00	17.27	
DUES	L999	PERCENTAFT	EVERY	0.00%	0.00	0.00	2,085.65	
FFCRA		AMOUNT	EVERY	$1,000.00	1,000.00		0.00	

4. Enter Non-Tax timecard in a payroll weekending date for the tax year of 2021 for the same amount as the deduction.
   Day of Week = N
   Enter dates for the COVID-19 wages if possible
   Use the same GL Account number that was used on the deduction above
   No Union, Job or Phase
   Enter non-tax dollar amount equal to PR Deduction above

PR Time Cards - TERRI - Terri Test

Pay Period Date 11/22/2021 11/2021 Select Pay Period Entry ID 69061 Check#

Employee ID TERRI Terri Test Supervisor ID

Union/Payrate ID

Day of Week N Nontax Start 11/15/2021 End 11/22/2021

Job ID

Phase ID SWT State IL

GL Account# 690 Miscellaneous SUT State IA Uncalc'd

Work Class Work Status Local Tax Non-Billable

WC Code Overhead

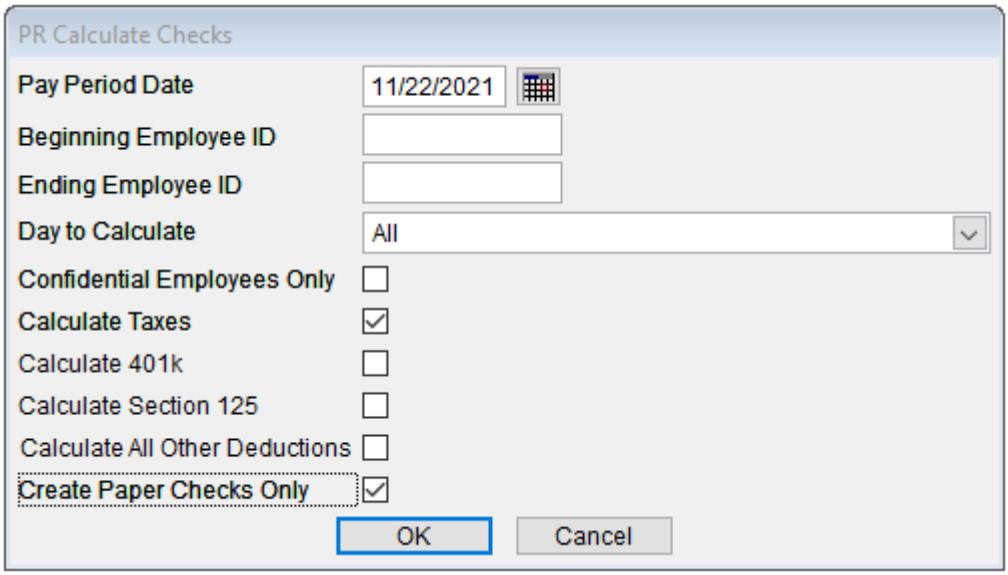
					Daily	Weekly
Regular Hours	0.00	@	$0.0000	=	$0.00	0.00	0.00
Overtime Hours	0.00	@	$0.0000	=	$0.00	0.00	0.00
Double Time Hrs	0.00	@	$0.0000	=	$0.00	0.00	0.00
Add On Hours	0.00	@	$0.0000	=	$0.00		
Taxable Amount	$0.00			Total	$0.00	$0.00	$0.00

Nontax Amount $1,000.00 Code Save & Add Misc

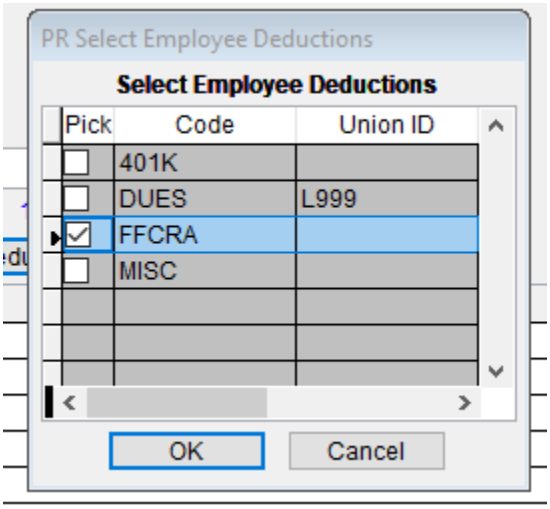
Equipment ID Time 0.00 @ $0.0000 = $0.00

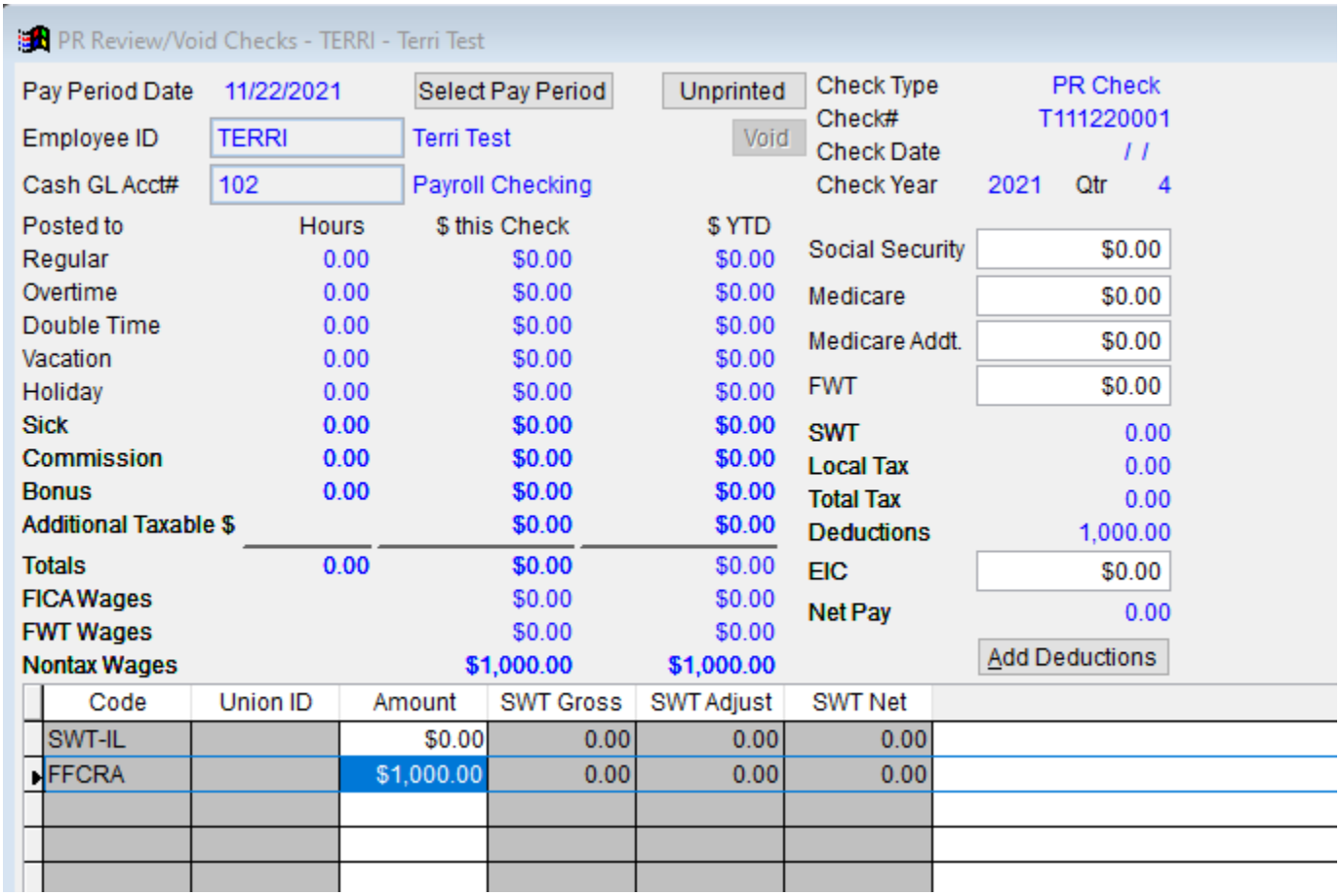
Equipment Loads 0.00 @ CYds 0.0000 = 0.00 Production Units 0.0000

5. Calculate PR Checks, uncheck Calculate 401K and Calculate Section 125, Check Create Paper Checks Only. Click ok.



6. Go into File>Payroll>Review/Void Checks, use binoculars and hit 'T' to find temporary check, make sure it nets to zero.
   You may have to manually add the deduction for FFCRA in the Review/Void Checks screen by clicking on the Add Deduction Button, then selecting the FFCRA deduction.
   You may also have to manually add the dollar amount to the deduction.
   Make sure check nets to ZERO.





7. Print check to paper using a fake check number like the date, 20211222.
8. Close and Post PR as usual.

VISUAL CONTRACCT - Calendar Year End Checklist

COMPANY NAME

_____

MONTH / YEAR

_____

PAYROLL

1. Print 4th Quarter Reports > Reports > Payroll > Quarterly

2. Print Year End Reports

Reports > Payroll > Year End > 941
Reports > Payroll > Year End > SWT, Local & SDI (State Withholding Tax)
Reports > Payroll > Year End > Federal Unemployment (FUT)
Reports > Payroll > Year End > State Unemployment (SUT)
Reports > Payroll > Year End > W2 Totals

NOTE: W2, 1095-C, 1094-C forms & Electronic filing should be done later using the employee history file.

Reports > Payroll > Year End > W2 Forms
Reports > Payroll > Year End > W2 Electronic Filing (EFW2)
Reports > Payroll > 1095-C Forms
Reports > Payroll > 1094-C Forms

3. Print Calendar YTD Reports

Reports > Payroll > Calendar YTD > Hours & Wages
Reports > Payroll > Calendar YTD > Wages
Reports > Payroll > Calendar YTD > Hours
Reports > Payroll > Calendar YTD > Total Wages – Taxes – Deductions = Net

4. Print Monthly Report > Reports > Payroll > Monthly > 401K Deduction Report
NOTE: Use beginning and ending dates for pay periods in your calendar year.

5. Print Miscellaneous Reports > Reports > Payroll > Miscellaneous > Deduction
NOTE: Use beginning and ending dates for pay periods in your calendar year.

6. Back up Year End Employees and Zero Calendar YTD Employee Totals

Admin > Payroll > Year End > Backup Year End Employees and Zero YTD Totals

7. Make Changes to Federal and State Tax Tables

Admin > Payroll > Tax Tables > Federal
Admin > Payroll > Tax Tables > State/Local

NOTE: Check exemption amount, unemployment rate, FICA rates & limits, and single & married tables.

ACCOUNTS PAYABLE

1. Print Vendor Calendar Trial Balance Report > Reports > Accounts Payable > Vendor List
NOTE: Select "include balances" and select beginning and ending months of calendar year.

2. Print 1099-NEC & 1099-Misc Forms > Reports > Accounts Payable > 1099-NEC Forms **OR** 1099-Misc Forms

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ACCOUNTS RECEIVABLE

1. Print Customer Calendar Trial Balance Report > Reports > Accounts Receivable > Customer List
NOTE: Select "include balances" and select beginning and ending months of calendar year.

JOB COST

1. Print Job Calendar Year End Reports

Reports > Job Cost > Balance
NOTE: Select "totals only" and select beginning and ending months of calendar year.
Reports > Job Cost > Detail Ledger
NOTE: Select beginning and ending months of calendar year.

GENERAL LEDGER

1. Print Calendar Year End Detail Ledger > Reports > General Ledger > Detail Ledger
NOTE: Select beginning and ending months of calendar year.

VISUAL CONTRACCT - Fiscal Year End Checklist

COMPANY NAME

_____

MONTH / YEAR

_____

PAYROLL

1. Print Fiscal YTD Reports

Reports > Payroll > Fiscal YTD > Hours
Reports > Payroll > Fiscal YTD > Wages

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2. Zero Employee Fiscal YTD Totals

Admin > Payroll > Year End > Zero Employee Fiscal Year Totals

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ACCOUNTS PAYABLE

1. Print Vendor Fiscal Trial Balance Report

Reports > Accounts Payable > Vendor List

NOTE: Select "include balances" and select beginning and ending months of fiscal year.

ACCOUNTS RECEIVABLE

1. Print Customer Fiscal Trial Balance Report

Reports > Accounts Receivable > Customer List

NOTE: Select "include balances" and select beginning and ending months of fiscal year.

JOB COST

1. Print Job Fiscal Year End Reports

Reports > Job Cost > Balance

NOTE: Select beginning and ending months of fiscal year.

Reports > Job Cost > Detail Ledger

GENERAL LEDGER

1. Print Fiscal Year End Detail Ledger

Reports > General Ledger > Detail Ledger

NOTE: Select beginning and ending months of fiscal year.

VISUAL CONTRACCT SYSTEMS
SPECIAL EARNINGS ON W2 FORMS BEFORE THE LAST PAYROLL
COST OF EMPLOYER-SPONSORED HEALTH COVERAGE
RECORD THE AMOUNT PER PAY PERIOD

1. ENTER A CLEARING ACCOUNT – File > GL > Accounts

A clearing account is a general ledger account, usually titled "Clearing" or "Suspense" or "Exchange". Its function is to be the GL account for several transactions that require entry into one or more subsystems (PR, AP, etc...) but generally net to zero after all parts of the transaction have been entered properly. Ask your accountant for an appropriate Account ID.

2. **ADD A DEDUCTION FOR "Cost of Employer –Sponsored Health Coverage" – Admin > Payroll > Deductions/Addons/Fringes**

a. GL AcctID = clearing account
b. W-2 Box = 12
c. W-2 Code = DD

3. **ADD A DEDUCTION FOR "Cost of Employer –Sponsored Health Coverage OFFSET" – Admin > Payroll > Deductions/Addons/Fringes**

a. GL AcctID = clearing account
b. W-2 Box = Should be empty
c. W-2 Code = Should be empty

4. CHECK YOUR PAYROLL DEBIT TABLE – Admin > Payroll > Debit Accounts

Make sure that the clearing account appears in your payroll debit table. If you need to add it, you must also put account numbers in the other fields (FICA, FUTA, etc...). Check with your accountant or controller if you are not sure what to use for these other fields.

5. ENTER THE DEDUCTION ON THE EMPLOYEE FILE – File > Payroll > Employees > Deductions

Enter a deduction for the Cost of Employer – Sponsored Health Coverage deduction code

a. Type = Amount
b. Frequency = Every
c. Rate = POSITIVE amount of the cost of health coverage per pay period.
d. Maximum = 0.00
e. Accumulated = 0.00

Enter a deduction for the Cost of Employer – Sponsored Health Coverage **OFFSET** deduction code

a. Type = Amount
b. Frequency = Every
c. Rate = NEGATIVE amount of the cost of health coverage per pay period.
d. Maximum = 0.00
e. Accumulated = 0.00

VISUAL CONTRACCT SYSTEMS
SPECIAL EARNINGS ON W2 FORMS BEFORE THE LAST PAYROLL
COST OF EMPLOYER-SPONSORED HEALTH COVERAGE
ONE ENTRY TO RECORD THE AMOUNT FOR THE YEAR

1. ENTER A CLEARING ACCOUNT – File > GL > Accounts

A clearing account is a general ledger account, usually titled "Clearing" or "Suspense" or "Exchange". Its function is to be the GL account for several transactions that require entry into one or more subsystems (PR, AP, etc...) but generally net to zero after all parts of the transaction have been entered properly. Ask your accountant for an appropriate Account ID.

2. ADD A DEDUCTION FOR "Cost of Employer –Sponsored Health Coverage" – Admin > Payroll > Deductions/Addons/Fringes

a. GL AcctID = clearing account
b. W-2 Box = 12
c. W-2 Code = DD

3. **CHECK YOUR PAYROLL DEBIT TABLE – Admin > Payroll > Debit Accounts**

Make sure that the clearing account appears in your payroll debit table. If you need to add it, you must also put account numbers in the other fields (FICA, FUTA, etc...) - check with your accountant or controller if you are not sure what to use for these other fields

4. ENTER THE DEDUCTION ON THE EMPLOYEE FILE – File > Payroll > Employees > Deductions

a. Type = Amount
b. Frequency = Every
c. Rate = amount of the health coverage to show on the W-2 form.
d. Maximum = amount of health coverage to show on the W-2 form.
e. Accumulated = 0.00

5. ENTER TIME CARD FOR (NON)TAXABLE PAY – File > Payroll > Time Cards > Add

a. Union/Payrate ID should be empty
b. Day of Week = N (Non-Taxable)
c. Dates = dates of the Coverage
d. Job and Phase should be empty
e. Account# = clearing account
f. Non-Taxable Amount = amount of the cost of health coverage to show on the W-2 form

6. COMPUTE CHECKS – File > Payroll > Calculate Checks

7. EDIT CHECK CALCULATIONS – File > Payroll > Review/Void Checks

If you are not including any taxable wages in this check, zero any deductions, state withholding and federal withholding to make sure the net of this check = $0.00.

NOTE: If you are entering a check for only the nontaxable timecard, the deduction will not calculate. You will need to click on the "Add deduction", click on the correct deduction and manually add the same amount as the Non-Taxable amount and make sure the net of the check= $0.00.

8. **PRINT CHECK – File > Payroll > Print Checks**

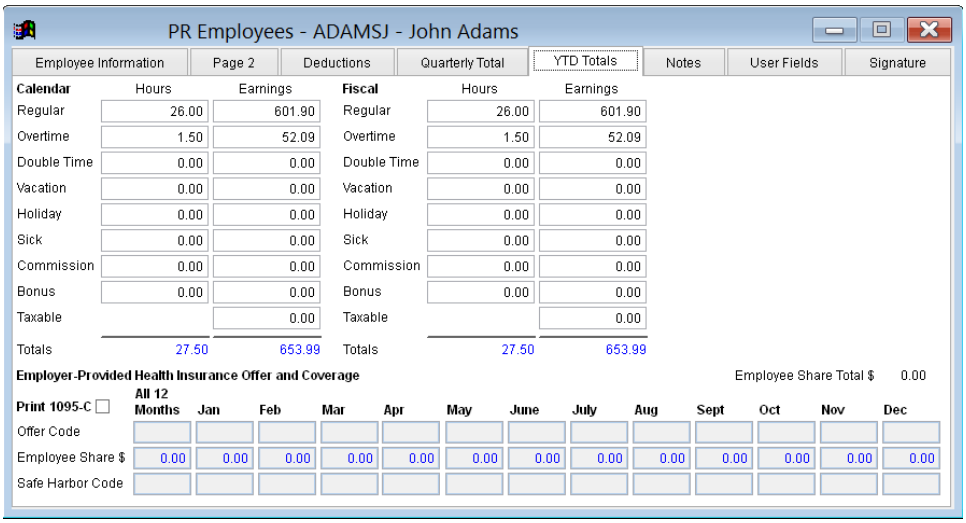
Printing W-2 Forms

- A W-2 Totals Report should have been run when you closed your calendar year for Payroll.
- The W-2 Totals Reports should be reviewed before you print your W-2's.
- To reprint W-2 Totals Report:
    - Reports > Payroll > Year End > W-2 Totals.
- To print W-2's on preprinted forms:
    - Reports > Payroll > Year End > W-2 Forms
- Using the drop-down menu, select the year and type in last year's Social Security limit of $142,800.00.
    - Select the range of employees for whom you want to print W-2's.
- We highly recommend you print your W-2's on paper first. You probably have a limited supply of W-2 forms, and you do not want to print on the forms incorrectly. After you print the W-2's on paper set the forms next to the paper to check for alignment accuracy.
- If you feel confident with the way your forms printed on the paper, you should load your forms to print the W-2's.
- You will print W-2 forms multiple times, once for each copy needed.
- You may reprint the W-2 forms if you have any problems.
- Please contact the customer support department at support@jobcost.com or (630) 355-8188 for assistance.

1095-C DATA ENTRY FOR EMPLOYEES

File > Payroll – Employee & Employee History

Visual ContrAcct version 10.40.07 or greater includes new fields on Employee and Employee History screens to record Employer-Based Health Insurance Coverage. See "YTD Totals" tab on Employee and Employee History screen for new fields.



A 1095-C form will print from <u>employee history</u> for each employee with both:

Print 1095-C checked – See "YTD Totals" Tab

FICA Wages - See "Quarterly Total" Tab

MANUAL ENTRY OF EMPLOYER-PROVIDED HEALTH INSURANCE OFFER AND COVERAGE

For each employee required to receive a 1095-C form, enter data in:
File > Payroll > Employee or File > Payroll > Employee History.

To allow editing of the values, check the Print 1095-C checkbox. Entering a value into the "All 12 Months" column will copy that value into each of the other fields in that row and disable them. To allow changes to those fields, delete the value in the "All 12 Months" field.

IMPORT EMPLOYER-PROVIDED HEALTH INSURANCE OFFER AND COVERAGE FROM EXCEL OR CSV FILE

If you will import this data, we highly recommend you do this AFTER Payroll Calendar Year 2021 is closed (January 2022).

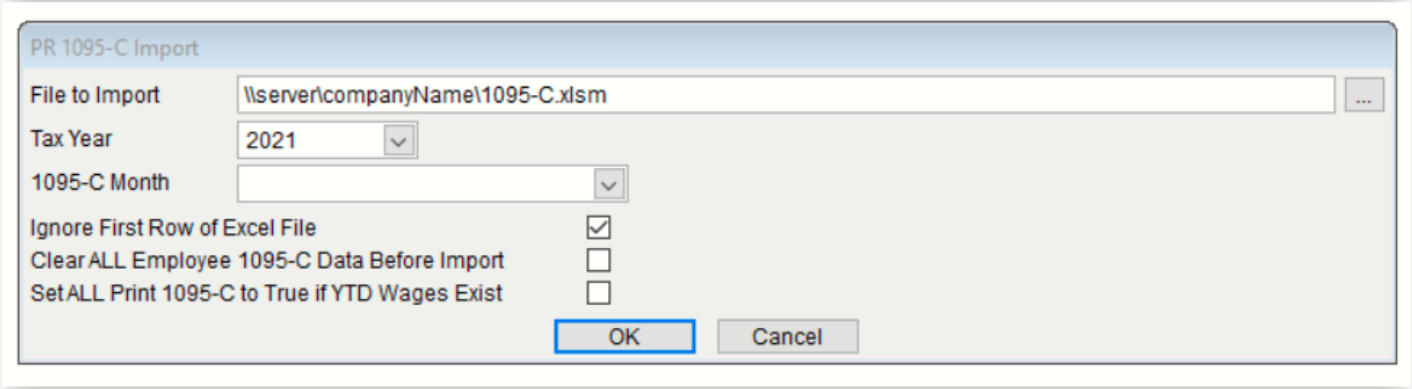
File > Payroll – 1095-C Import

Imports 1095-C information to employee or employee history file.
Import is compatible with Excel and CSV files (1095-C.xlms or CSV).
Import file specifications can be found at:

https://www.jobcost.com/visual-contracct-readme/

Search for:
"EMPLOYER-PROVIDED HEALTH INSURANCE OFFER AND COVERAGE 1095-C IMPORT FILE"

Dialog allows the following options:



PRINT 1094-C/1095-C FORMS

Reports > Payroll > Year End > 1095-C Forms/1094-C Form (After Payroll Year 2021 is Closed)

The menu options will launch creation of 1094-C and 1095-C tax forms in Crystal Reports Viewer. Crystal Reports Viewer requires the workstation be configured to print the forms. If you have multiple companies, Visual ContrAcct must be configured to pull correct data for each company when printing the forms. Discuss with Customer Support at the time of your update.

You will NOT purchase forms. The forms and data will print on white 8 ½ x 11 paper with black ink.

The following may be helpful in working through filing requirements with your accountant.

PAYROLL W2 / W3

https://www.irs.gov/pub/irs-pdf/iw2w3.pdf

- W2 Paper Forms to Employee January 31, 2022
- W2/W3 Paper Forms to IRS January 31, 2022
  -OR-
  W2 EFW2 Electronic Filing to IRS January 31, 2022

PAYROLL 1094-C / 1095-C

https://www.irs.gov/pub/irs-pdf/i109495c.pdf

- An ALE Member must furnish:
  1095-C Paper Forms must be furnished to Employee by March 2, 2022.
- 1094-C/1095-C Paper Forms are required to be filed to IRS by February 28, 2022.
  -OR-
  1094-C/1095-C Electronic Filing through Affordable Care Act (ACA), also known as AIR by March 31, 2022.

ACCOUNTS PAYABLE 1099-NEC / 1099-MISC / 1096 NEC / 1096 MISC

https://www.irs.gov/pub/irs-pdf/i1099gi.pdf

- 1099-NEC Paper Forms to Recipient - January 31, 2022
- 1099-NEC Paper Forms to IRS - January 31, 2022
- 1099-NEC Electronic Filing required to IRS if over 250 - January 31, 2022

- 1099-MISC Paper Forms to Recipient - January 31, 2022
- 1099-MISC Paper Forms to IRS - February 28, 2022
- 1099 MISC Electronic Filing required to IRS if over 250 - March 31, 2022