

## Empeon 2020 Year End Communication:

Empeon is committed to helping you prepare and plan for a smooth year-end. We understand that your time is extremely valuable. We therefore did our best to condense the necessary information into a few short Year-end communication's.

Below, you will find important information and reminders which require action by you, the client. Therefore, please make sure to review this entire document. **Spending a few extra minutes reviewing can save you hours of aggravating work and unnecessary cost.**

We value your business and loyalty, and look forward to working together with you to ensure a successful year-end.

### W-2 Healthcare Coverage Cost Reporting:

As mandated by the Affordable Care Act, employers with 250 or more W-2s in the prior calendar year, are required to report the total of each employee's Healthcare Insurance cost (premiums) on their W-2. This amount is reported in the W-2 Box 12 code DD. The amount reported is not taxable, it is just used by the IRS for informational purposes.

If this is applicable to your company, please submit the following request form: [Healthcare Cost W-2 Reporting form](#). Empeon will NOT automatically handle this for you without the form submission.

**The deadline for submitting this information to Empeon is 12/28/2020. If you did not submit the above form to Empeon by 12/28/20, Empeon will assume that this is not applicable to your organization.**

For more information about this mandate, see the following link: [IRS ACA W2 Reporting](#).

### W-2 Third Party Sick Pay Reporting:

In many cases, the taxable wages and tax amounts of Third Party Sick Pay issued to an employee by the state or insurance provider (i.e. disability payments), need to be recorded in the payroll system for W-2 purposes and employer tax purposes.

It is important that you obtain the necessary information from the third party provider as soon as possible and record it in the system before you process your last 2020 payroll. If for some reason you were unable to record the 3<sup>rd</sup> party sick pay before processing your last 2020 payroll, submit the following request form and select the "3<sup>rd</sup> Party Sick Pay" option: [Unscheduled Payroll Request Form](#). **The deadline for recording the 3<sup>rd</sup> Party Sick Pay is 1/8/2021.**

### W-2 Data Verification:

In order to ensure an accurate and smooth W-2 processing, it is important for employers to review and verify the employee W-2 data in advance. Please note that **some tax agencies may impose penalties for each W-2 that is submitted with an incorrect SSN or name.** It is well worth investing the time in advance to avoid hours of difficult retroactive corrections along with costly amendments. **We strongly encourage all clients to have their employees verify their Name and SSN in Empeon's Employee Self Service (ESS) Portal which can be reached at [hub.Empeon.com](http://hub.Empeon.com). To find out more about setting up ESS please contact team1.**

At minimum, please run the Employee List Live Report and review the following information:

- Employees' names
- Employees' Social Security Numbers
- Employees' addresses

### ACA Year End Processing:

The Affordable Care Act (ACA) Mandate requires Applicable Large Employers (ALE) to file forms 1094 and 1095 as part of the 2020 year-end filing. An 'Applicable Large Employer' is an employer with an average of 50 or more full time or full time equivalent employees.

Form **1095-C** needs to be furnished no later than March 2, 2021 to employees who were full time for one or more months during the 2020 calendar year (one form per employee). The 1095-C form contains information about the employee's monthly offer of Health Coverage.

Form **1094-C** is filed with the IRS, along with a copy of the 1095-C forms. The 1094-C form contains information about the employer. It includes monthly full time employee count, total monthly employee count, and certification of Insurance Coverage Offer by month. The 1094-C form must be filed with the IRS no later than March 31, 2021.

We have invested much time and efforts to establish a new and improved process for collecting client data and processing and filing the 1095 forms. Detailed information will be forthcoming and will be posted in the [Empeon Year End Center](#) later this month.

To enroll in the Empeon 2020 Year-end ACA Services, please submit the following enrollment form: [2020 ACA Service Enrollment Form](#). In addition, in preparation for the ACA process, please collect all plan information such as plan eligibility, costs, and 2020 enrollment, as those will be required for the processing of your forms.

**The FINAL enrollment deadline for Empeon ACA filing for 2021 is Monday, December 14<sup>th</sup>.**

*Note: the views and opinions expressed in this guide are solely of the author and should not be used as legal guidance. Empeon is not authorized to provide legal guidance. Employers should consult with their compliance advisor to confirm that their payroll processing procedures comply with federal, state, and local regulations.*