

December 2018 GMS Newsletter Articles

Happy Holidays!

The GMS Offices will be closed December 24, 25, and 31, 2018, and January 1, 2019 to allow staff to celebrate the holidays with their families.

We wish everyone happiness during this time of year and always.

Dear Friends:

This special issue of News from GMS is devoted entirely to what you need to know about W2's, 1099's, 1095C's, and 1098's. We encourage you to read this newsletter immediately, forward to all staff involved in these processes and to contact us should you have any questions.

W2, 1099, 1095C and 1098 instructions are included in the Help manuals. We are identifying the highlights in this newsletter and encourage you to refer to the Help manuals for the specific technical details. This way you can focus your attention on the items that apply to you. Instructions for downloading your revised accounting software and Help manual will be emailed to you later this month. **PLEASE remember to install these revisions AFTER the last paychecks are issued for 2018 and before the first paychecks are issued for 2019.** The memo will explain the software updates and instruct you on installing.

RLSS software will also be revised as the IRS has made changes to the 1098s. You need to be certain this revision is installed before printing/preparing your 1098 forms.

Please note the article on Service Calls in this newsletter. We want to provide you with the very best service. To do so, we need your help.

Things You Must Do Before Your First Payroll in January

Here is a simple checklist of those steps you must perform after your last 2018 paycheck is issued and before issuing your first paycheck in January - ***regardless of when you print your W2's***. More details can be found in your Help manual.

- Check employee gross-to-net amounts on the YTD Payroll Register. Make sure all final adjustments have been entered and processed, particularly for 3rd party sick pay, certain business expense reimbursements, the cost of life insurance in excess of \$50,000 or employer sponsored health insurance.
- Check all last minute items like address changes, name spellings and Social Security numbers. You will have a chance to correct these later - but it will be easier now.

- Check your state tax code by displaying to see that information is correct - state codes, names and reporting ID's. This can be done by going to Payroll, Set Up, State Tax.
- Print and review State and Local Tax Analysis.
- Complete all Quarterly Reporting activities.
- Install December software revisions before proceeding.

Follow these procedures on your Payroll - Annual Menu – W2 Processing

1. Click on the Save/Clear YTD Amt's button. You will be asked to specify the drive and folder on which your database is stored. The software will make a copy of that file and save it in the same folder called W2xx-xx-xxBU.mdb (The xx-xx-xx represents the computer date the file was backed up). The program will also copy year-to-date payroll and deduction tables into W2 tables, and then zero out the year-to-date amounts in the payroll and deduction tables.
2. Check employee files. You should find that year-to-date amounts are now zero.
3. You may now proceed with processing your first payroll in January. W2 printing may take place at your convenience.

Enjoy Your Retirement, Ann!

Ann Dragoo, Director of Service and Support, retired on November 30th after 27 years with GMS. Ann's retirement plans are to spend time with her family and support her four grandkids in their school and sports activities. She also plans to do some traveling with her husband of 46 years.

Ann expressed "I have enjoyed working with my GMS family, which includes all of the wonderful GMS staff and also all of the clients I have gotten to know and become friends with over the years. I will miss talking to everyone, but I plan on enjoying my retirement to the fullest!"

We at GMS will greatly miss Ann, and of course, that wonderful laugh of hers. Best wishes, Ann!

Have You Installed the Accounting .net Software?

All Accounting Software clients should now be using the .net software. When you log in, you should be clicking on the white GMS icon with the penguin. If you are still using the blue GMS icon to log in, then you have not yet installed the .net software.

Within the past six months, the primary contact person at your agency was sent several emails regarding scheduled installation date, archiving your database in preparation for installation, installation instructions and the new database password. If you have not installed .net and it has been more than two weeks since these emails were received, please contact service for new installation instructions as the download link has expired.

We will ONLY be making Year End Payroll changes to W-2s, 1099s, 1094s and 1095s, plus 2019 payroll tax rate changes in the .net software so it is imperative you are using the new software before the end of December. The old accounting software will not be compatible with the 2018 tax forms.

Is GMS Printing Your W2's, 1095's, 1099's or 1098's?

If so, follow the instructions and send us your files. Please allow a week turn around upon receipt of your files. Forms will be printed in the order the files are received. Remember, the deadline for file submission to GMS is January 22, 2019. Forms will be sent to you once they have been printed.

Common W2 Errors

- Not setting up the right box # and letter with no spaces next to the deduction for Box 12
- Not putting a "Y" under the retirement column next to the correct deduction
- Putting a "Y" under the W2 box column rather than putting the box number and letter
- Not saving the edits after adding box numbers and letters
- Going back to Edit/Prepare and answer "Y" to the override W2 question after saving edits
- After making changes in the W2 box setup, the proof listing doesn't reflect the changes because "Y" was not answered to the override W2 question
- Not reading the instructions
- Retirement box was not checked because they had no retirement deductions even if the employer contributed.

Consider These Special Issues Please

Double check to see if you are affected by one or more of these special issues now. If so, please review the Help Manual for details.

- Do you have a cafeteria plan?
- Will you have 3rd party sick pay that will need to be reported on your W2's?
- Did any of your present or terminated employees receive life insurance in excess of \$50,000?
- Have you made any expense reimbursements that are considered taxable?
- Do you have a qualified pension plan?
- Did you withhold dependent care benefits from any employees that must be reported in Box 10 on W2's?

- Did you withhold any Ohio School District taxes?
- Did you have employees who made contributions to a deferred compensation retirement plan?
- Do you have an employer sponsored health plan that needs to be reported?

For some of the above issues you may wish to check with your CPA to be certain that you follow IRS reporting requirements properly

Service and Assistance

January is by far the busiest month in the year for our Service Staff. W2's, 1095's, 1099's and 1098's are prepared and printed, tax and other software changes are being installed and many agencies are beginning their new fiscal year. Here are some things that you should know. Thank you in advance for your patience and understanding.

- GMS service hours are 8:30 am to 7:00 pm EST Monday through Thursday. On Fridays, our service hours are 8:30 am to 5:00 pm EST. It is GMS policy to respond to every service call within two hours of receipt (unless another arrangement is made). Calls received after 6:00 pm EST will be responded to no later than 10:00 am the following day.
- Calls are responded to on a first come - first served basis.
- You may place your service call by clicking on Help, Request a Service call within your software, by phone 800.933.3501, via the website at www.gmsactg.com or by email to service@gmsactg.com. Or if it is a quick question, you can use the Service Chat via the web. The link is on our website and is now available in GMS by clicking on Help.
- When you place a service call, please let us know the urgency of the issue and include your phone number with your extension so that we may reach you in the quickest, most efficient manner.

Note: All GMS offices will be closed on December 24, 25, & 31, 2018, and January 1, 2019, for the Christmas and New Year's holidays.

For all of us and all of you, January can be a particularly stressful time. As we prepare, there are some things that you can do that will help us serve all GMS clients.

1. Review your W2, 1095, 1099 and 1098 instructions this month - in December. Should you foresee questions or issues, please feel free to contact us now, when our service call volume is much lighter.

2. If a problem does occur, see if it is addressed in the Help Manual before placing a service call.
3. When you do call, please let us know the urgency of the issue and an extension number. If you have a deadline, tell us. If there is no urgency, we appreciate knowing that as well.

When Should You Perform W2, 1099 and 1098 Activities?

As you set your timetable for performing these activities, here are some general rules to keep in mind.

- The proper time to follow W2 preparation procedures is after the last paid payroll in the calendar year and before the first paid payroll in the new calendar year. Paid payroll is defined by the date on the payroll check - **not by the pay period ending date**. If your paid payroll includes all or part of days worked in December, but checks are not dated and issued until sometime in early January, then W2 steps should be followed **before** January paychecks are issued.
- You **will** need to run certain steps to save the current calendar year payroll information and clear year-to-date amounts before issuing your first payroll in January. Once these steps are performed, you may print W2's at any time.
- You may perform normal 1099 activities any time after you have issued the last accounts payable checks for the year. You **do not** have to print 1099's before issuing checks in the new year.
- If you will be preparing 1098's for your RLSS system, then you must make certain that transactions dated in the current calendar year are recorded before proceeding. 1098's review loan histories for specified dates allowing you to print 1098's at any time - even after new year transactions are entered.

W2 Electronic File Reporting, 1099 and 1098 Supplement Prices

Following are the prices of the 3 supplements referenced throughout this special edition of the GMS Newsletter:

Supplement # 400 W2 Electronic File Reporting

1-2 Users	\$120.00/\$40.00 annual license/maint
3-4 Users	\$150.00/\$50.00 annual license/maint
5+ Users	\$190.00/\$63.00 annual license/maint

Supplement # 330 Complete 1099's

1-2 Users	\$280.00/\$85.00 annual license/maint
3-4 Users	\$350.00/\$105.00 annual license/maint
5+ Users	\$440.00/\$135.00 annual license/maint

Supplement # 804 RLSS 1098's

1-2 Users	\$280.00/\$85.00 annual license/maint
3-4 Users	\$350.00/\$105.00 annual license/maint
5+ Users	\$440.00/\$135.00 annual license/maint

Need to Prepare Files for IRS or the Social Security Administration?

Many GMS clients report W2 information electronically to the Social Security Administration and/or 1095C, 1099 and 1098 amounts to the Internal Revenue Service. Remember you have two options available:

1. Supplement #400, W2 Electronic File Reporting, Supplement #330 Complete 1099's and/or Supplement # 804 RLSS 1098's will enable you to prepare and submit these files yourself. You may order these supplements via the client section of our website at www.gmsactg.com.
2. You may also choose to have GMS prepare the files for you to be electronically submitted. **Note - You must purchase, or have already purchased Supplement #330 Complete 1099's and/or Supplement # 804 RLSS 1098's in order for GMS to prepare the files.** Instructions for the file preparation and transmission to GMS can be found in the Help manual under the appropriate supplement.

If you are submitting W2 files to SSA, you need to register for a User ID and Password

You must register with the Social Security Administration in order to use their Business Services on-line. Registering allows you to use the Employee Services to submit a wage file, W-2 on line, view status, view notices and view errors. It also allows you to use the SS number verification service. Registration is required if you plan to file using Electronic Data Transfer.

December 2018 is the preferred period for new registrations. You may register at <http://www.ssa.gov/employer>, select Business Services Online, and select Register. To register by phone, call the Employer Reporting Branch at 1-800-772-6270. Information you will need to register is (some of the information below is optional) company name, phone number, address and the Employer Identification Number of the company you work for, your name (first name, middle initial and last name) as shown on your Social Security card and your mailing address, your Social Security number, date of birth, your work telephone number, e-mail address and fax number to contact you if they have a problem processing your file.

If all of the information given is verified, they issue a User ID and password, formerly called your PIN#. For further information on registering, go to their web site to review other questions and answers about using the User ID and password.

If you previously received a User ID, you may be notified and reminded to change your password in order to keep your User ID issued by SSA valid. If you have not done so and the User ID# becomes invalid, a new User ID will have to be issued and can take up to 10 business days for reissue.

If you received this notification, please go to <http://www.ssa.gov/bsowelcome.htm> and click on login to change password or call SSA at 800.772.6270 to change the password, as that is what SSA is recommending for assurance purposes. The person who was issued the User ID is the one that should call to change the password.

First Year Electronic Filers of 1099's, 1095's and 1098's

Electronic file submission is required for organizations submitting 250 or more 1099, 1095, or 1098 forms **but is encouraged for all forms**. All filers must obtain approval to file prior to submitting Form 1099, 1095, or 1098 returns electronically. Form 4419, Application for Filing Information Returns Electronically, should be submitted to the Internal Revenue Service, Information Reporting Program, 230 Murall Dr. Mail Stop 4360, Kearneysville, WV 25430, at least 30 days before the due date of the returns. You can request this form and instructions online under Forms and Publications at www.irs.gov. A separate form 4419 must be submitted for each type of return. If you are submitting 1099, 1095, and 1098 forms electronically, you must submit three 4419 forms. After approval of your Form 4419, you will be assigned a 5-character Transmitter Control Code (TCC), used to identify electronic filers. Electronically filed returns may not be submitted to IRS until the application has been approved and a TCC assigned. If any information on the form changes, you are to notify the Enterprise Computing Center in writing so the database can be updated. Be sure to include your TCC in all correspondence. You may be subject to penalties for failure to file timely, failure to follow the instructions, and failure to include correct information. If you have any questions on electronic filing, you may contact the Information Reporting Customer Service Site by calling 866/455-7438 between 8:30 a.m. and 4:30 p.m. Eastern Standard Time.

Deadlines to Remember

Remember these important deadlines for W2's, 1099's, 1095C's, and 1098's. Deadlines have changed from previous years.

January 22, 2019

- Latest date you can send files to GMS for form printing and expect to receive them before January 31.
- Latest date you can send files to GMS for preparation of IRS or Social Security Administration file to be submitted electronically and expect to receive the file back before January 31.

January 31, 2019

- W2's & 1095C's are to be furnished to employees.

- 1099's and 1098's must be given to recipients.
- W2, 1095, 1099, and 1098 information must be filed with Social Security Administration. This applies to both electronic filing and filing of paper forms.

GMS Tax Form Printing or Electronic File Preparation

For those agencies who have requested that GMS print their W2, 1095, 1099 or 1098 forms and/or prepare the electronic file, there are several important things you need to know.

- Print out the instructions that are in your Help manual under each appropriate section: Payroll Annual, Supplement #400 W2 Electronic File Reporting, Supplement #330 Complete 1099's and/or Supplement #804 RLSS 1098's.
- If you have requested that GMS print W2, 1095, 1099 or 1098 forms, make sure that these forms have been proofed and are ready to be printed when you transmit your database to us. We will keep your blank forms in our office and send the forms to you once we have printed them.
- **Always** include the transmittal form, which you have filled in and saved, exported to either a PDF or Rich Text format, with a copy of your database.
- **Always** include the Proof Listing, which has been exported to a PDF format or Rich Text format, with a copy of your database. Excel formats may give incorrect amounts.
- There is a special electronic file format for the states of AL, AR, GA, IA, IN, KY, MD, MS, NE, OH, OR, PA, UT and VT; the cities of Warren, Dayton, and Ravenna, OH; and also RITA for Ohio and PA Berkheimer. If your order form specified one of these states or cities, a separate file will be prepared and emailed to you.

WEBINARS

GMS Accounting Users

Calendar Year End Preparation - December 5, 2018

GMS Staff Anniversaries

GMS Software Developer Jie Chen observed his fourth anniversary with GMS on November 23.

December brings the anniversaries of two GMS Staff. GMS President/CEO Donald Cassady is celebrating 28 years on December 1 and Director of Software Technical Support Kim Cosentino is commemorating

21 years on December 21.

Thank you, Donald, Kim and Jie, for your dedication to GMS and our client