

PAYROLL YEAR-END

December 2023

GFC Data Systems

NOTE: you should close-out the year before starting the first payroll for year 2024. You can print W2s later. IF YOU HAVE MORE THAN ONE SET OF PAYROLL FILES DO THE BELOW FOR EACH ONE.

- 1) Confirm your Payroll program version is **"24.4"** (or higher). 4th quarter-end operations (941, Unemployment reports) would normally already be done but the program can print those reports from payroll history later. **Make sure you retain 2023 history. If you have the GFC Budget Acctg program, retaining 2023 payroll history also allows you to later move pay records to the Budget Reconciliation program (retain the most recent payroll history plus at least one additional year).**
- 2) If any of your deduction codes are for an "Elective Deferral" plan, a "Defined Benefit" plan, "Dependent Care", or "Life Ins over Limit" review them using the program **"Maintain Benefit/Dept/Deduct Codes"** to make sure they have a check in the appropriate box since these special deductions should print on the W2 (note: **normally these codes would be in the 9000 or 9900 series**). If you are not sure whether you have any of these type of deductions check with the company you have the plan with. Normally your primary pension plans (OMRF, OPERS, or Police Pension) do not need to be checked because the program tracks that info by storing the amounts in the retirement section of the Payroll Info screen.

The reporting of the **"Cost of Health Insurance"** on the W2 form for employers with 250 or less employees is still optional. This cost would include the amount paid by the employer and employee for major medical health insurance plans. Separate policies for vision and dental coverage may be included in the cost but are not required. See: <https://www.irs.gov/Affordable-Care-Act/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage> for more info. *If you don't want to report the Cost of Health Insurance go to step 3.* If you do want to report the cost of health insurance the program would need to know which deductions and benefits are for payment of health insurance. Therefore the user should access the applicable deduction and benefit codes (using **"Maintain Benefit/Dept/Deduct Codes"** and check the box **"Deduct/Benft: Cost of Health Insurance"**). If you have not been using benefit codes for health insurance and your city pays all or part of employee's health insurance, you would have to manually enter the cost amount (see step 5 below)
- 3) Print Trial Balance. To do this:
 - a. From Payroll Main Menu select **"Year-End Routines"**.
 - b. Select Trial Balance.
 - c. Print the report as you normally would (all employees together or by fund) for period "Y".
Print sequence 'Name' would be best since W2s will print in employee name order.
- 4) Build the Yr-End W2 file. (The Yr-End file will later be used to print W2s). To do this:
 - a. While on the Year-End Routines screen, select **"Build Yr-End W2 File"**.
 - b. If you have employees that have multiple payroll numbers that you would like to combine into one year-end record (so only one W2 will print) user may click on "Yes" to combine (**the Payroll records being combined must have the same soc sec no and be in funds with the same fed id number**). If you don't have employees with multiple payroll numbers or combining is not desired then leave the "combine" question as "No".
 - c. Enter **2023** to include history records dated 01/01/23 thru 12/31/23.
 - d. Select **"Begin Build"** (if combining, a confirmation screen will display in which case click on OK to proceed).
- 5) Print Year-End records. To do this:
 - a. While on the Year-End Routines screen select **"Print Yr-End W2 Records"**.
 - b. Recommended sequence would be "Name" order.
 - c. Print as you did your Trial Balance (all employees together or by fund).
 - d. **Compare Year-End W2 Records report totals with Trial Balance reports totals.**
Note: Gross Earnings is not on the Year-End W2 report since it does not print on the W2 form. If an employee shows up on the Trial Balance but not this report, you have probably entered "N" for the "Fed-St Txbl" question on the Payroll Info screen which means there is no taxable earnings. Call GFC Data for assistance if this is not correct.
 - f. Review employees who have Health Insurance, Defined Benft, Elective Deferral, Dependent Care, Flexible Med Spend (FLXM) or Grp Life Ins amounts. Since these items (except health insurance) may be unusual to have, confirm that any employee with these these amounts should have them.
 - g. **If the earnings/wh on the Trial Balance and Year-End list do not agree do not proceed and contact GFC Data.**

PLEASE NOTE:

- 1- If on any line “????” prints for the Ret Code it means that retirement was withheld on a pay record but there was no retirement code specified. A code is needed for the system to know if retirement is pre or post-taxed. User should either edit in the code using “Maintain Year-End W2 Records” or the code can be edited on the History record and the Yr-End Build can be run again.
- 2- If you want to report the cost of health insurance (which is optional) but you are not using benefit codes to define the amount paid by the employer, you will have to use “Maintain Year-End W2 Records” and “Edit” in the Cost of Insurance Amount. ***THIS DOES NOT HAVE TO BE DONE RIGHT NOW - YOU CAN DO IT BEFORE PRINTING W2s.***
- 3- If Health Ins amounts are on the list but they are not correct or you just don’t want to report them you can run the program “Clear Health Ins” (on the “Maintain Year-End W2 Records” screen) to zero the amounts.
- 6) **Make a year-end backup to CD or flash drive. This backup should be kept for at least a year. If you do only “system” or “on-line” backups and the backups will be kept for a while then that should be satisfactory.** Otherwise the Payroll folder(s) (ex: Payrl.win) should be copied to an external device.
- 7) If you are going to remove history in step 8 then print History Records for the time period you are going to remove. If you are not going to remove history go to **step 9 (do not remove 2022 or 2023 history under any circumstances).**
To print history:
 - a. While on the “Year-End Routines” menu choose “Print History”
 - b. **Fund#:** Enter a fund# or leave fund blank and enter the beg/end values desired.
 - c. **Beg/End Dates:** Enter the date ranges you are going to remove in step 8.
 - d. **Print Each Detail Record:** Enter "Y" to include each detail check.
 - e. **Include Deduction Checks:** leave unchecked.
 - f. **Format:** Enter “A” to print an abbreviated format or “F” for full format
Note: “A” prints one line per check... date, ck number, gross, net, and taxes;
“F” prints several lines per check including all deductions and benefits
 - g. **Grand Totals Only:** Enter “N”
 - h. **One Emp Per Page:** Enter "Y" to print one employee per page or "N" to print as many employees per page as will fit.
 - i. Click on “Print” to begin.
- 8) User may delete History Records. **If you would like to leave employee’s past pay records in the History file you may skip this step and go to step 9 (if you do delete history keep at least two years).**
If older history should be removed do the following:
 - a. While on the “Year-End Routines” screen select “Delete History”
 - b. Enter the range of dates to delete. For example you have 7 years of history and want to delete four old years but keep the past three years. In this case user would enter beg/end dates of 01/01/17 to 12/31/20 which would retain 2021 thru 2023.
 - c. Select “Begin” to begin deleting. Then click on “OK” to confirm
- 9) Zero-out the YTD earnings/wh on the Payroll Information records. To do this:
 - a. While on the “Year-End Routines” screen select “Zero Earnings”.
 - b. Enter “Y” if you want terminated Payroll Info records to be deleted. **NOTE:** if entering "Y", Payroll Info records with history will not be removed.
Enter “Y” if you want Employee Info records with no Payroll Info record to be deleted. "N" will leave all Employee Info records in the system. Removing the Employee Info record will remove the employee’s name and address info.
 - c. Click on “Begin” to start. Then click on “OK” to confirm.
NOTE: a list prints showing earnings being zeroed out. Deleted records are also noted on the list.
10. Exit back to Main Menu.
11. **You should have new Payroll tax rates that came via email or CD. It should be loaded before the first 2024 payroll is started. If it doesn’t get loaded before the first 2024 payroll then continue using the existing rates and load the update after you finish the first 2024 payroll.**
12. You have until the end of January 2024 to mail/efile W2s. The information to print on the W2s is in the Year-End file. **When ready to print and e-file W2s print the document “Payroll W2 Print/E-file Instructions” found on the “Software Manuals and Instructions” page at gfcdatasys.com.**