



2025

End of Year &
Beginning of Year

PAYROLL GUIDE



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PaySmartPA.com

Another year is ending! To help you prepare for year-end payroll processes, PaySmart has developed this guide of valuable information. Thank you for allowing us to serve you during 2025. We look forward to another great year in 2026!

- The PaySmart Team

PRIVACY POLICY

PaySmart is committed to protecting your privacy. We keep both on-line and off-line information about you and your payroll secure and confidential. We will never disclose information about you to anyone without your permission except that which is already public or permitted by law. The information you give to us is reserved only for our employees who need to know about your records to service your account. We will not sell your information. If you would like to see the full Privacy Policy, or have any questions, please contact us.



OTHER SERVICES AVAILABLE AT PAYSMART

- ▶ Secure 24/7 client portals
- ▶ Secure remote payroll entry
- ▶ Employee self-serve portals
- ▶ Pay as you go workers' compensation insurance
- ▶ Direct Deposit
- ▶ Background checks
- ▶ Time and Attendance
- ▶ 401k integrations
- ▶ 401k/simple uploads
- ▶ HR services
- ▶ Identity Theft Protection
- ▶ QuickBooks Export



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Preparing for 2026 Payroll

TAX PAYMENT RESPONSIBILITIES

PaySmart makes tax payments on your behalf and does so on time and accurately. However, taxing authorities hold you, the taxpayer, responsible for timely tax payments. That is why we encourage you to check up on us occasionally to make sure you are covered. Instructions on how to check these payments can be found on www.PaySmartPa.com. As always, contact us if you have any questions or need help being walked through this.



STATE UNEMPLOYMENT RATE (SUI)

Most states adjust the employer contribution rate in January. A rate notification will be sent in December. This rate is very important for proper tax impounding and accurate employer tax expense. Please forward this rate notice as soon as possible—except for Pennsylvania, which does not need to be sent.

STATE DEPOSIT REQUIREMENTS

Pennsylvania sends notifications of filing requirements. A taxpayer can be semi-weekly, semi-monthly, monthly, or quarterly. Please forward any PA or other state notices to PaySmart.

LST DEDUCTIONS AND EXEMPTIONS

LST is a tax of \$1 per week maximum of \$52 per year per employee (\$3 per week maximum of \$156 per year per employee for Harrisburg City). The employer's local jurisdiction approves an employee's exemption status. All exempt employees must complete a new LST exemption every year. Please notify PaySmart of an employee's exemption status. Exemption and refund forms can be downloaded at www.PaySmartPA.com.



IRS FEDERAL DEPOSIT FREQUENCY NOTICES

The IRS sends notifications to taxpayers in November regarding their deposit frequency for the following year. If you receive this notice, please forward it to PaySmart. If a notice is not received, the deposit frequency will be based on the prior year's frequency.

IRS FORM FILING REQUIREMENTS

The IRS also sends notices regarding form filing requirements. Some taxpayers may be changed to Form 944 from 941. Form 944 is an annual form which replaces the quarterly Form 941. If a notice is received stating Form 944 or 941 should be filed, please forward the notice to PaySmart.

SECURITY AND PERSONALLY IDENTIFIABLE INFO (PII)

- ▶ Payroll must be reported to PaySmart by a verified Payroll Contact only
- ▶ All PII must be sent securely. This information will not be accepted by email

2026 RATES

- ▶ Social Security limit is \$183,600
- ▶ HSA contribution \$4,400/\$8,750 (self/family), catch up \$1,000

2026 BANK HOLIDAYS

New Years Day	Jan 1
Martin Luther King.....	Jan 19
Presidents Day.....	Feb 16
Memorial Day	May 25
Juneteenth	June 19
Independence Day.....	July 4
Labor Day.....	Sept 7
Columbus Day	Oct 12
Veteran’s Day	Nov 11
Thanksgiving.....	Nov 26
Christmas	Dec 25

ADDITIONAL PAYSMART HOLIDAYS

Good Friday	April 3
Independence Day.....	July 3
Black Friday.....	Nov 27

HOUSEKEEPING REMINDERS

- ▶ Payrolls received after 3:00 will be processed on the next business day.
- ▶ For same day pick up submit prior to 12:00PM pick up available after 3:00PM
- ▶ Check the website for current holiday information.
- ▶ Email information requests to payroll@paysmartpa.com
- ▶ Review the e-newsletter for important PaySmart information.
- ▶ Many frequently used payroll forms can be found at www.PaySmartPa.com.
- ▶ New Hire & Direct Deposit forms can be prepared online at www.PaySmartPa.com.
- ▶ Contact us before cutting out of pay cycle checks.

End of Year Guide 2025

IMPORTANT DATES

**PaySmart will be CLOSED
November 27 and 28, December
25, and January 1.**

Check Date Payroll submitted by
1 p.m. on:

Nov. 26, Dec. 24 (submitted by 9
a.m.), Dec. 30

*Direct deposit checks cannot
be dated on bank holidays.
Please inform PaySmart of
the check date for any checks
that would regularly be dated
November 27, December 25, or
January 1.



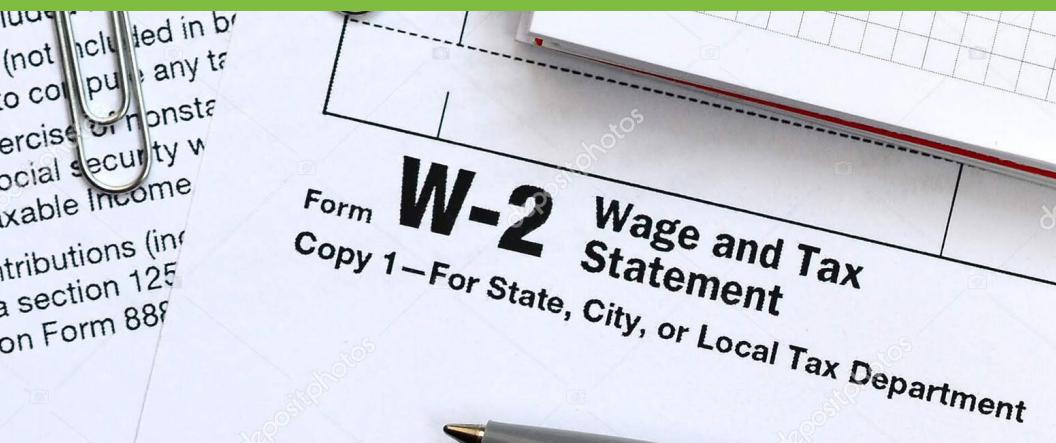
PROCESSING DEADLINE

Please provide any changes for
2025 by your last check date
— no later than December 31.
Adjustments received later may
result in additional processing
fees. If you report information
past the processing deadline:

- ▶ Any additional taxes will be collected immediately and remitted as required for tax-impound services.
- ▶ E-file services will receive transmittal information as required.
- ▶ Year-end reports will be rerun to reflect any changes. Additional fees will be charged.
- ▶ PaySmart is not responsible for any penalties or interest incurred due to late reporting.



W-2S



PREP & DELIVERY

- ▶ W-2s will be delivered using the same method currently used for paycheck delivery. To confirm or change the method of delivery, please contact a payroll specialist no later than **November 21st**.
- ▶ W-2s returned by mail should be kept for four years.

DUE DATES

- ▶ By January 29: W-2s will be issued to employers.
- ▶ January 31: Employers must postmark W-2s.

DUPLICATE REQUESTS

PaySmart cannot discuss W-2s with employees of PaySmart clients. Any duplicate requests must be submitted by the employer. A fee of \$7 per duplicate W-2 will be charged to the employer.

FILING TO TAX AGENCIES

PaySmart will submit all W-2s to the appropriate federal, state, and local tax agencies by the required due dates.

SSN VERIFICATION

PaySmart verifies all employees' Social Security numbers with the Social Security Administration. If a mismatch is identified, we will contact you for a correction. If no response is received, we will use the number provided for W-2 reporting. PaySmart will charge \$50 to correct a W-2.

EMPLOYER HSA CONTRIBUTIONS

Do you contribute to your employees' HSA accounts? The amount contributed must be reported on the employees' W-2, so please report to PaySmart any contributions to employees' HSA accounts by the last pay of the year. These contributions have no tax consequence but are required to be reported.

SHAREHOLDER HEALTH INSURANCE

Shareholder health insurance is not deductible on the corporation tax return and may only be taken at the personal level. To take this deduction on the shareholder's personal return, the insurance premium paid for the year must be reported on the shareholder's W-2. The shareholder's premium must be reported to PaySmart by the last payroll of the year to have it properly reported on the W-2. Please contact your accountant with any questions.

PROCESSING BONUSES

Do you issue year-end bonuses? Please let PaySmart know if:

- ▶ These should be separate checks
- ▶ The checks will be live or direct deposit
- ▶ Any special delivery instructions
- ▶ The amount is to be Net or Gross

No bonus checks will be issued after the last check date of 2025 unless otherwise instructed. Year-end reports will be processed after the last 2025 payroll is run. Additional payrolls will cause delays and additional charges.



NET TO GROSS CHECKS

If you provide net checks and would like PaySmart to calculate the bonus, please let us know if you would like a flat percentage rate or flat amount on your federal withholding. PaySmart will only gross up checks with these options.

EXPECTING THIRD PARTY SICK PAY?

Insurance carriers are required to provide this information by January 15. Please let PaySmart know if third party sick pay is expected. We will postpone processing year-end reports until this information is received. This will delay year-end reports and W-2s, but all reports will be available by January 31st.

INFORMATION TO REPORT

- ▶ In-house payroll checks issued
- ▶ Voided payroll checks
- ▶ Sick/Disability payments made by third parties
- ▶ Taxable adjustments, such as personal use of company vehicle
- ▶ Value of group term life insurance
- ▶ Additional employee contributions to retirement accounts
- ▶ Bonus pay
- ▶ Employer contributions to HSA
- ▶ Shareholder insurance premiums



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