



# Newsletter

from

# Payroll Advantage, Inc.

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## CALENDER REMINDERS:

December 15:  
941 deposit due.

December 20:  
State deposits due  
for monthly payers.

## FUN FACT:

60% to 70% of  
small businesses that  
decide to outsource  
payroll each year  
do so effective  
January 1.

## WANT MORE INFO?

contact us at:  
[contact@payrolladvantageinc.com](mailto:contact@payrolladvantageinc.com)  
Toll free:  
1-877-572-1040

*Ben Says:*

*"By failing to prepare,  
you are preparing  
to fail."*



## Year-End

The end of the year is the busiest time of year for everyone. If you are an employer, end of year payroll processing will demand a lot of your time and energy. We would like to help you focus on this duty by highlighting important areas that will enable you to have a successful end of the year. Now is the time to have all your employees check their W-4's for accuracy, and to see if they need to make any changes.

### New for 2007:

- Redesigned Form 940 replaces previous Form 940 and Form 940-EZ.
- File Form 944, Employer's ANNUAL Federal Tax Return, for the previous calendar year instead of Form 941 if the IRS has notified you in writing to file Form 944.

### Reconciliations:

- The total of all four quarters of the 941's have to agree with your year-end totals.
- Year-end totals must agree on the 941(943 or 944), W-2's, W-3's, 940, and VA-6(NC-3). Remember to include bonuses as part of wages, even if you gave cash.
- Totals of all 1099's must equal the total of 1096.
- For Federal and State: total numbers of W-2's must equal Box c of W-3.
- Total 940 wages must equal W-3 Federal Wage.

### Dates:

- December 31, 2007 is the end of fourth quarter.

### Due Dates:

#### January 31:

- 4<sup>th</sup> Quarter 941's (or annual 944 if you received notification to use this form)
- W-2's to Employees
- 1099's to Recipients
- W-3's to Employees
- 940

#### February 29:

- 1096 and 1099 copies to Federal Government
- W-2 copies with W-3's to SSA

#### March 31:

- If you file W-3 and W-2 to the Government electronically
- VEC and NCUI unemployment rates change each January. Be sure that your first payroll of 2008 reflects your new state unemployment rate.

### For more information go to Employer's Tax Guide at:

<http://www.irs.gov/publications/p15/index.html>

### Order employer tax products and information returns at:

[www.irs.gov/businesses](http://www.irs.gov/businesses)

### To find addresses for where to file forms, go to:

[www.irs.gov/file/index.html](http://www.irs.gov/file/index.html)

The hardest part of doing year-end payroll is that you have forgotten how you did it last year. You have to re-learn it each year. By outsourcing with **Payroll Advantage, Inc.**, you will no longer have that burden, and you will know that it will be right each year.

Please email us if:

- You have questions you would like answered.
- There is a topic you would like to have addressed by this newsletter.
- You wish to discontinue receipt of this newsletter.

DISCLAIMER: This newsletter is designed to give the reader an overview of payroll topics and is not intended to constitute legal advice as to any particular fact or situation. In addition, laws and their interpretation change over time and the contents of this column may not reflect these changes. The reader is advised to consult competent CPA counsel as to his or her particular situation.