

# **AccuBuild**

## **2016 Calendar Year End Notes**

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## 1 AccuBuild Calendar Year End Notes

### 1.1 Calendar Year End Notes

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#### Calendar Year End Notes

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The following information is an outline for preparing the system for the new calendar year and for processing the W2s and 1099s for the year **2016**.

Please be sure to read **ALL** of the following information before attempting to close the calendar year end.

**NOTE: W-2s do NOT need to be printed before closing the payroll year.**

- ☐ Create a Bonus Check
- ☐ Create a Fringe Benefit Check
- ☐ Health Insurance Reporting on W-2s for 2016
- ☐ Deadlines for Filing Forms
- ☐ Order Tax Forms
- ☐ Closing the Payroll Year
- ☐ W-2 Reconciliation Worksheet
- ☐ Install Aatrix Software
- ☐ Print W2s
- ☐ Affordable Care Act
- ☐ Review 1099 Information
- ☐ Print 1099s

## 1.2 Create a Bonus Check

### Create a Bonus Check

1. Bonus pay should be set up as one of the six miscellaneous pays on the **Payroll > Properties > Misc Pays / Ded** tab. Make sure that the W2 box is checked so that it will be included in gross wages. Typically, the bonus pay is not marked as exempt from any taxes nor as exempt from workers comp but check with your CPA. The g/l account on this line does not need to be filled in because the system will use the associated department code in the time card entry for the g/l account.
2. Set up a department code specifically for the bonus pay. Most companies accumulate bonuses into one expense account. Be sure to choose this department code on the time card entry otherwise it will use the department code found in the employee's file.
3. There are a couple of ways to manipulate the calculation of the Federal Withholding and State Withholding taxes on the bonus check:
  - One way is to turn on the **Override Auto Tax Calc** option on the **Payroll > Employee > Federal** tab. When taxes are calculated you will be able to manually type in the specific tax amount that you want deducted from the check.
  - The other method is to temporarily change the default pay period from weekly to monthly or annual on the **Payroll > Properties** screen. This will reduce the amount of tax calculated on the entire batch of checks. Refer to the IRS and State publications for withholding table calculations. **Be sure to reset your pay periods after the bonus checks have been posted, otherwise all future checks will be calculated incorrectly.**
4. When you enter your time card entries, use the transaction code associated with the bonus pay. This will be code 51 - 56 (misc pay NOT withheld). The term 'not withheld' on this screen has nothing to do with the taxable status of the item; the taxable status is defined in the payroll properties as described in step 1. Instead, 'not withheld' on this screen simply means that the employee will be receiving the amount on his check. (Do not use transaction codes 81-86 for the bonus pay. The term 'withheld' on this screen is used to pay an amount on the check, tax it, then deduct the amount from the check in order to give it to a 3rd party such as a union or approved benefit plan.)
5. Calculate the taxes as usual. If you chose the override auto tax calculations in the employee file then you will need to manually fill in the FWH and SWH fields with the proper amounts. If you chose to change the payroll periods, then review the tax calculations using the Pre-Check Tax Register.
6. Print and post your checks as usual.

## 1.3 Create a Fringe Benefit Check

### Create a Fringe Benefit Check

A fringe benefit is a form of payment for services by an employer to an employee beyond the stated pay. Fringe benefits for employees are taxable wages unless specifically excluded by an Internal Revenue Code. Examples of a fringe benefit include but are not excluded to: personal use of a company-owned vehicle; reimbursed moving expenses; health insurance paid to a shareholder (2% or more) in an S corp.

**Note:** Be sure to enter any fringe benefit pay adjustment **BEFORE** rolling the calendar year for the Payroll system. Otherwise, the adjustment will not be included in the appropriate year's W2 totals.

The following is an example of how to record a fringe pay for the personal usage of a company vehicle. This can be handled as a year-end adjustment to the employee's wages using a hand-written payroll check. The fringe pay will be automatically included as part of the **Gross Wages** as well as all of the **Subject Wages** for each tax. If the fringe pay is not subject to a specific tax, change the subject wage amount as applicable. (To change the subject wages, you must enable the 'Override Auto Tax Calculations' option found on the Fed Tab of the employee file.) Please check with your company's CPA about which taxes may be applicable before processing the check.

1. In the **Payroll > Properties** option, select the **Misc Pays / Deds Tab** and set up a miscellaneous deduct to use as an offset to the fringe benefit pay. You may want to set the deduct description to **AutoFringe** or something similar as this description will appear on the payroll checks. This deduct can be linked to your auto expense account so the deduct amount offsets some of the total auto expenses for the year.
2. Select the **Handwritten Checks** option in the Payroll module. Please refer to the handwritten check documentation for basic instructions on how to enter handwritten payroll checks. The following fields will be unique for the fringe benefit entry:
  - **Check Number** - Since this is not an actual check, you may wish to enter a unique check number series for the fringe benefit checks.
  - **Amount** - Enter the amount of the check as zero.
  - **Payroll Periods** - Enter the period beginning and ending dates (you may wish to use the last week of the payroll year).
  - **Payroll Tax Deductions** - These fields represent the employee deductions only; they do not include the employer's portion of the taxes. Because this is a hand-written payroll check, AccuBuild will not automatically calculate the payroll tax amounts for you. Be sure to check with your company's accountant before calculating any of the taxes on this check as this pay amount may be exempt from certain taxes. If taxes are due on the fringe benefit amount, then offset the amount by reducing the state and federal withholding taxes. For example, an employee is to receive an adjustment for fringe benefit pay in the amount of \$1,000.00. Per the company's CPA, the amount is subject to all taxes except state and federal withholding. Therefore, the taxes must be calculated for FICA, FUTA, SDI, SUI, and ETT (as applicable to your state). First, verify whether the employee has met any of the tax

limits. Remember that the FICA tax is a combination of social security and Medicare taxes, and that the Medicare portion does not have a wage limit. If the employee's year-to-date earnings have met the social security wage limit, and the Medicare rate is 1.45%, then \$14.50 will be entered as the amount of Medicare tax for this check. But due to the fact that the net check amount must be zero, a credit amount of (\$14.50) must be entered in the federal withholding field. The same process would be followed for each state tax but the cumulative adjustment would be made to the state withholding field.

3. Select the **timecards** button and select Trans code ' **70 – Fringe Benefit Pay** '. Enter the amount of the fringe benefit pay. The rest of the timecard entry fields may be skipped.

Remember, the employee's default union code and workers comp code will be automatically entered in this transaction. Check with your company's CPA to verify whether the fringe benefit amount should be subject to union and workers compensation insurance accruals. If the employee has any automatic pays or deducts in their employee file, then these entries will automatically be added to the list of timecard entries. These entries should be individually deleted. Simply select the entry in the browse screen and select **Delete**.

4. Select **Add** and select the Trans code that represents the **AutoFringe** deduction (61 through 66). Enter the amount of the fringe benefit pay, select **Save** and then **Close** the timecard entry screen.
5. Select **Process** to post the entries through the accounting system. If the **Process** button is not enabled, then make sure that the calculated net amount of the check is equal to the check amount that you entered. Remember, the check amount should be zero. During the posting process, the system will calculate the employer's portion of the payroll taxes.

If you enabled the override of the automatic tax calculations in the employee file, then you will be able to change the tax amount and the subject wage amount at this time.

6. **W2 Information** - The amount of the fringe pay will be printed in Box 14 of the W2. You may need to update the **Payroll > Employees > Fed Tab > Box 14 Info** with the proper description of the fringe pay.

Please note: When you print the W2s, you will have an option to use **Gross Wages** or **Subj Wages** for federal and state wages. If you do NOT have any pre-tax deductions other than the fringe pay, then you can use the Gross Wage option. This will ensure that the fringe pay is included in the federal and state wages. If you DO have pre-tax deductions such as for a 401K, then be sure to print your W2s with the Subj Wage option to ensure that the proper LOWER wage is reported.

## 1.4 Health Insurance Reporting on W-2s for 2015

### Health Insurance Reporting on W-2s for 2016

The following information on reporting Employer Sponsored Health Coverage on the W2s is **applicable to all employers**. Information on the health insurance coverage must be manually entered in Box 12 of the employee screen or on the Aatrix W2 grid; this information does not automatically generate from any check transactions entered into AccuBuild. [In addition, some employers must also file the new Affordable Care Act Form 1095 if they qualify as an Applicable Large Employer \(ALE\). Please refer to the separate document on ACA reporting for more information on form 1095.](#)

"The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage." (a)

"The value of the health care coverage will be reported in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer's employees.

In general, **the amount reported should include both the portion paid by the employer and the portion paid by the employee.**" (a)

(a) <http://www.irs.gov/Affordable-Care-Act/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>

### AccuBuild W-2s

You have the following options for entering the cost of the employee health insurance on the W-2s:

- On the **Payroll > Employees > Fed** screen, manually enter the **total amount** in field A, B, C or D of Box 12 with the IRS code DD.
- Instead of entering the amount on the employee screen, you may edit the W-2 information using the Aatrix program (**Payroll > Tax Forms / E-File / W2s**). The W-2 grid will display the employee information in a grid format including a column for the employer paid health insurance. This may be quicker than editing each individual employee, however, these entries **will not** be stored in the AccuBuild program.
- You may optionally report the **employee** portion of the health insurance in Box 14 of the W-2. This is helpful to the employee so that they may see what portion of the total cost of their health plan (Box 12) was deducted from the check. This information will normally be displayed separately on the employee's check stub but it will not automatically display on the W-2 unless the deduction is a pre-tax deduction which is then reported in Box 12. **Box 14 is primarily used by AB for reporting fringe benefits** such as personal use of a company-owned vehicle or reimbursed moving expenses. Keep in mind that only one amount and description can appear for Box 14. If you need more detail, then you may need to manually generate a separate itemized list for the employee.

**DISCLAIMER:** Please check with your CPA for payroll reporting requirements and questions.

**AccuBuild is STRICTLY a software company, and does NOT provide ANY type of tax advice.** The information provided here is to alert you of these reporting requirements so that you can do the proper research with your CPA to determine how these new tax laws apply to your company and then take the necessary steps to implement these requirements.



## 1.5 Order Tax Forms

### Order Tax Forms

All W-2s and 1099s will be generated for calendar year 2016 within AccuBuild using the **Aatrix Tax Forms Software** interface:

- Payroll > Tax Forms / E-file / W2s
- Payables > Tax Forms / E-file / 1099s

We highly recommend that you choose one of the eFile packages from Aatrix to file your forms. These packages are very cost effective and time efficient. Visit our partner page by clicking the **Support > Aatrix Partner Page** at the top of your AccuBuild program screen for more information and to register for e-filing.

### Complete W-2/1099 eFile Service

- W-2/1099s are eFiled to the appropriate State and Federal agencies and printed and mailed directly to your employees or recipients as well as posted to a secure website for immediate access.

#### Complete W-2 Service Includes:

Minimum Package Price: \$24.95  
Employee W-2s Printed & Mailed  
Federal W-3/W-2s  
State W-2s & W-3 or reconciliation form  
Employer W-2s (printed on plain paper)  
eW-2s Available for All Employees  
\*eW-2 Only Employee Copies (discount)

#### Complete 1099 Service Includes:

Minimum Package Price: \$24.95  
Print & Mail Recipient 1099s  
File Federal 1096/1099s  
File State 1099s & 1096  
Payer 1099s\* (printed on plain paper)  
e-1099s Available for All Recipients  
\*e1099 Only Recipient Copies (discount)

\* **Online Only Employee W-2s and Recipient 1099s** are options to save money by allowing the employee or recipient to opt-in (requires a signed consent form) to receive electronic copies of their forms online only, **instead of a printed and mailed copy**. The eFile Center places the form on a secure website and takes you through the email wizard to send emails to each applicable employee or recipient to notify them that their electronic form is available online. The email notifies the user of the website address, what to use for the username, and a generated password. Any W-2s or 1099s that are corrected will automatically be updated on the website.

If you choose to print, mail and submit your own W-2s or 1099s, then please thoroughly review the following form information before placing your order with one of our approved form providers.

To get a count of the number of employee W-2s or recipient 1099s that you may need, please print the following reports for the **2016** year:

- Payroll > W-2s > View W-2s > W-2 Info Report.
- Payables > Accounts Payable Reports > 1099s > Create 1099s > 1099 Info Report.

Below is a list of the approved form vendors. Please refer to the next two pages for specific form ordering information.

**Artina**  
**AccuBuild Forms Division**  
PO Box 681  
Tarrytown, NY 10591  
(800) 544-3427  
(800) 261-1499 Fax

**Dynamic Systems**  
6420 Pleasant Street  
South Park, PA 15129  
(800) 782-2946  
(412) 831-4754

**National Document Solutions**  
2321 Circadian Way  
PO Box 7789  
Santa Rosa, Ca 95407  
(800) 325-3120  
(707) 527-9230 Fax

## 1.5.1 Form W-2 & W-3

### FORM W-2 AND W-3

	Form	Print Instructions	Where to File	Artina	Dynamic Systems	Nat'l Doc Solutions
State, City or Local	Copy 1	4-up Perforated Paper ----- - Prints 4 W-2s on a single sheet	Mail the state copies of your W-2s to the state agency by February 28, 2016. Be sure to include the state copy of the W-3 or State Reconciliation Form as applicable.	5221	4UPPERF05	4UPPERF05
Employee	Copy 2, B & C	4-up Perforated Paper with Instructions on Back ----- - Prints all four employee copies on a single sheet of perforated paper. The 'Notice to Employee' must be printed on the back of each page or provided to the employee on a separate sheet of paper.	Distribute or mail to each employee by January 31, 2016.	5209	4UPPERF105	4UPPERF105
Employer	Copy D	Plain paper or 4-up Perforated Paper ----- - Prints 4 W-2s on a single sheet.	Keep this copy for your records. Do not sent to any taxing agency.	5221 or Plain Paper	4UPPERF05	4UPPERF05 or Plain Paper
Federal W-2	Copy A	Prints 2 W-2s on a single sheet of plain paper. ----- - Aatrix's W-2 has been approved as a substituted	File Copy A and Form W-3 with the Social Security Administration by February 28, 2016. Be	Plain Paper	Plain Paper	Plain Paper

		form by the IRS and will be printed in black ink.	sure to sign the W-3 before mailing.			
Federal W-3	W-3	Plain Paper ----- - Aatrix's W-3 has been approved as a substituted form by the IRS and will be printed in black ink.		Plain Paper	Plain Paper	Plain Paper
Notice to Employees		Plain Paper ----- - Optional. If you choose to print your employee W-2s to 4-up perforated paper with NO instructions on the back, you MUST include a copy of the 'Notice to Employee' on a separate sheet of paper.		Plain Paper	Plain Paper	Plain Paper
Envelope	Double Window	Fits 4-up Paper		DW4S	4UPDWENV05	4UPDWENV05
Envelope	Double Window Self Seal	Fits 4-up Paper		DW4SS	4UPDWENV S05	4UPDWENV S05

## 1.5.2 Form 1099 & 1096

### FORM 1099 AND 1096

	Form	Print Instructions	Where to File	Artina	Dynamic Systems	Nat'l Doc Solutions
Federal 1099	Copy A	2-up pre-printed RED form ----- Prints 2 1099s on a single pre-printed RED form.	File Copy A of the 1099s and form 1096 with the IRS by February 28, 2016. Be sure to sign the 1096 before mailing.	5110	BMWVFED05	BMISFED05
Federal 1096	1096	Pre-printed RED form		5100	B1096	B109605
State 1099-MISC	Copy 1	4-up Perforated Paper -----	File the State Copies of your 1099 by mailing	5221	4UPPERF05	4UPPERF05

		Prints 4 1099s on a single sheet of perforated paper.	them to the appropriate state agency. If applicable, print your State Reconciliation Form or 1096. Be sure to sign any applicable form prior to mailing.			
Recipient	Copy 2, B & Recipient Federal Copy	<p>4-up Perforated; Instructions on back *</p> <p>-----</p> <p>Prints all four recipient copies on a single sheet of perforated paper.</p> <p>* The 'Instructions for Recipient' must be printed on the back of each page or provided to the recipient on a separate sheet of paper.</p>	Distribute or mail to each employee by January 31, 2016.	<p>5221</p> <p>-----</p> <p>- NO instructions printed on the back. You MUST print the 'Instructions to Recipient' separately and include in your mailing to the recipient.</p>	<p>4UPPERF05</p> <p>-----</p> <p>NO instructions printed on the back. You MUST print the 'Instructions to Recipient' separately and include in your mailing to the recipient.</p>	<p>4UPPERF05</p> <p>-----</p> <p>NO instructions printed on the back. You MUST print the 'Instructions to Recipient' separately and include in your mailing to the recipient.</p>
State 1096	1096	<p>Plain Paper</p> <p>-----</p> <p>Some agencies do NOT require a 1096 to be submitted with your state 1099 forms. Only send this 1096 to the agency if it is required. If your agency does NOT require a 1096 you can keep this copy for information purposes to provide totals of your state 1099s. If you have questions about your state's requirements, please contact the agency.</p>	Refer to State 1099-Misc instructions above.	Plain Paper	Plain Paper	Plain Paper
Instructions to Recipient		Plain Paper		Plain Paper	Plain Paper	Plain Paper

		Optional. If you choose to print your recipient 1099s to 4-up perforated paper with NO instructions on the back, you MUST include a copy of the 'Notice to Recipient' on a separate sheet of paper.				
Payer	Copy C	<p>Plain Paper or 4-up Perforated</p> <p>-----</p> <p>Prints four recipient 1099s on a single sheet. May be printed to plain paper or 4-up perforated paper if you wish to separate .</p>	Keep this copy for your records. Do not send to any taxing agency.		5221 or Plain Paper	4UPPERF05 or Plain Paper
Envelope	Double Window	Fits 4-up Paper		DW4S	4UPDWENV 05	4UPDWENV 05
Envelope	Double Window Self Seal	Fits 4-up Paper		DW4SS	4UPDWENV S05	4UPDWENV S05

## 1.6 Deadlines for Filing Forms

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### 2016 NON eFile Due Dates

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Please note that the filing due dates for paper W-2s and 1099s has changed. January 31, 2017 is now the filing due date for both the employee and federal copies of the W-2 and 1099. Be sure to check with your State Agency or CPA for the due date for your state.

### 2016 eFile Due Dates

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**NOTE: These dates refer to eFile deadlines only.**

Customers must eFile their W2 and 1099s to Aatrix before the dates indicated below in order to ensure their filings are accepted by the agencies as timely.

#### General Due Dates

- |   |                    |
|---|--------------------|
| • W-2/1099 Employee/Recipient Copy Date:    | Jan 27 3:00 PM CST |
| • 1095-C & 1095-B (ACA) Employee Copy Date: | Feb 28 3:00 PM CST |
| • W-2 Federal Date:                         | Jan 30 3:00 PM CST |
| • 1099-MISC (Box 7 amount) Federal Date:    | Jan 30 3:00 PM CST |
| • All Other 1099s Federal Date:             | Mar 30 3:00 PM CST |
| • 1095C & 1095B (ACA) Federal Date:         | Mar 30 3:00 PM CST |

Please use this link to view the eFile deadline dates for each state: <https://efile.aatrix.com/pages/public/FilingDeadlinesPublic.aspx?v=ATX000>

## 1.7 Closing the Payroll Year

### Closing the Payroll Year

The following procedures should be followed in the order that they are listed. If you need to process your first payroll BEFORE you can download and install the update, then please follow these steps:

- Finish all payroll entries for the year 2016 (Refer to Step 1)
- Change the Payroll Date and Update Employee Totals (Refer to Step 5)

**NEW FOR 2017:** There is a new setting for local deduction codes that have a cutoff limit that will allow the system to calculate the NEW balance due for the 2017 year. If you are NOT able to install the new software release and make the necessary setting changes in the employee files BEFORE changing the payroll date, then you will not be able to take advantage of this new feature. Instead, you would need to manually calculate the balance due and update the employee's local deduction cutoff limit manually.

- Enter the New Payroll Tax Rates and Limits (Refer to Step 6)
- Adjust Annual Cutoff Limits on Employee Deductions (Refer to Step 8)
- Create Time Card Entries and Print Payroll Checks for 2017 (Refer to Step 9)

Be sure to review the remaining steps for reconciling the 2016 payroll information, printing W2s and 1099s. If you discover that adjustments need to be entered for 2016 AFTER you have written checks for 2017, then be sure to follow the directions in Step 10.

#### 1. Finish All Payroll Entries for the Year 2016.

A payroll check that has a check date of 2016 will appear on the 2016 W-2s. Check dates with the year **2017** will **NOT** be included on the W-2s for the year 2016, regardless of the week ending date. The W-2 totals are based on **CHECK DATES, NOT ON WEEK ENDING DATES**.

Please also read the documentation on creating a [fringe benefit check](#) to record non-cash compensation for items such as personal use of a company vehicle.

#### 2. Reconcile the Payroll Tax Reports for the Year 2016.

Reconcile the quarterly payroll tax reports to the **W-2 Information Report**. The wage and tax amounts should be reconciled prior to closing the year to verify that all necessary adjustments have been entered.

- Click **Payroll > W-2s**.
- Enter the payroll cutoff year as **2016**.
- Click on the **View W-2s** button.
- On the next screen, click on the **W2 Info Report** button to print the report.
- Using the **W-2 Reconciliation Worksheet** contained in this document, enter **down the page** the wages and tax amounts reported on the quarterly reports submitted to the IRS and your state. Add the amounts **across the page** for all four quarters and compare the totals to the **W-2 Info Report**. If the totals match, then no adjustments are needed.

**Note:** The **W-2 Info Report** includes both the gross wage amount and the wages subject to



*FWH and SWH so you must choose the proper column to compare to your quarterly reports. The subject wage amounts will be lower if you have pre-tax deductions. Be sure to review this information with your CPA if you are not sure which column you should choose.*

### 3. Create a Full Backup of your AccuBuild Data.

This backup should be created in addition to your daily system backup.

- Click **File > Backup Data** to create a backup of the current company data.
- Repeat this process for each company that uses the Payroll module.

### 4. Install the Year End Release AFTER all checks for 2016 have been entered.

**NOTE: If you are an AccuBuild Cloud users, then the year end release will be installed on the cloud for you between December 28th and 29th. Please skip to item 5.**

For non-AccuBuild Cloud users, please refer to the following instructions:

AccuBuild version **9.5.0.2** contains the tables for the Federal (FWH) and State (SWH) withholding taxes for the year 2017. You must have version **9.4.0.2 or newer** installed before you can install the year end update.

Install the update **AFTER** the last payroll check with a check date of 2016 has been entered and **BEFORE** closing the month of December. Also, be sure that there are no pending (unposted) batches before installing the release.

- Download Update** - Click **Help > Check AccuBuild Website for Updates**. Click on the **9.5.0.2** release and **save the file to your desktop or to your Downloads folder**. **Do not** run the installation directly from the website.
- Install Update** - Once the download is complete, close the website page and make sure all AccuBuild users have exited the program (including yourself). (A backup of your data should be created before installing any update but you should have already created a backup in Step 3 so another backup is not necessary unless new transactions have been entered.)

To install the update, double click on the file that was saved to your desktop. You may choose either **Automatic** or **Manual** install.

- **Automatic** - If you choose the Automatic option, the system will search your network and local drive for the **accubld.exe** file; this may take a few minutes.
- **Manual** - If you already know the location of the file, you may choose the manual option. Select the drive letter from the bottom of the screen and then **double-click** on the Accubld8 or Accubld9 folder. (For example: P:\Accubld9)

From this point on, click **OK**, **Next**, or **I Agree** to finish the installation; you will not have to choose any other file paths. The update is installed to the original program installation location on the network, therefore it does NOT need to be installed on each workstation.

Once the installation has been completed, open the AccuBuild program. Verify that the new software release number is displayed at the top of the screen.

## 5. **NEW FOR 2017: Update local deduction codes that have a cutoff limit with a new Cutoff Limit Type.**

- Click **Payroll > Controls > Local Deduction Codes**
- Edit any local deduction code such as an employee loan or tax levy that has a cutoff limit. These types of deductions may have a cutoff limit that may or may not be reached in the current year. AB has a new field called **Cutoff Limit Type** which may be set to **'Reducing Balance'** if you wish for AB to automatically calculate the remaining balance at the end of the calendar year and populate the **Cutoff Limit** field in the employee's file with the new balance.

## 6. **Change the Payroll Date.**

The **payroll cutoff date** must reflect 01/01/2017 before payroll checks may be dated for 2017.

- Click **File > System Administrator > Configuration > Accounting**
- Click on the **Payroll Cutoff** field and enter **01/01/2017**. **DO NOT** change the fiscal year end date or the system cutoff date.
- Click **OK** to save your change.
- Once you click OK, the system will alert you that the employee totals must be updated. Click OK to start the process. Since no payroll checks have yet been written for 2017, all of the employee accumulators will be set to zero.
- **NEW FOR 2017: During this process, the system will also calculate and update the new balance on any local deduction code that has been updated with the new cutoff limit type titled 'Reducing Balance'.**
- **NEW FOR 2017: After the payroll date has been changed to 2017 and the totals have been updated, you may print the new Payroll report titled 'Payroll Deductions Cutoff Limits - Year End Log' dated 01-01-16 through 12-31-16. This will show you how AB calculated the remaining balance for each local deduction by employee. You may always manually change the cutoff limit in the employee file, if needed.**

## 7. **Enter the New Payroll Tax Rates and Limits.**

The software update will install the state and federal **withholding tax** changes automatically. However, you **MUST** manually enter the following payroll tax rates and wage limits before generating payroll checks for the 2017 calendar year.

- Click **Payroll > Properties > Tax Rates**. This screen contains the rates and cutoff limits for FICA and FUTA. (Refer to the table below). **(Please note: There was no increase in the 2016 FICA or FUTA tax rate and cutoff limits for 2017.)**

- Click on the **State Tax Settings** button to access the rates and cutoff limits for SDI, SUTA, SUI and ETT. Select your state code(s) and make the appropriate changes. Be sure to save your changes once they are completed. **Note:** *If your state does not use some of these tax fields, then set the limits and rates to zero.*

The following chart includes state tax rates for California only. **Be sure to verify the following tax rates and limits with your company's accountant before entering them into the system.**

	Cutoff Limit	Tax Rate
<b>Federal Tax Rates</b>		
FICA (Social Security)	<b>\$ 127,200</b>	<b>6.20 %</b>
FICA (Medicare)	None	1.45 %
FICA (Additional Medicare)	<b>\$ 200,000</b>	<b>0.90 %</b>
FUTA (Federal Unemployment)	\$ 7,000	0.60 %
<b>California Tax Rates</b>		
SDI (State Disability)	<b>\$ 110,902</b>	<b>0.9 %</b>
SUI (State Unemployment)	\$ 7,000	See Below
ETT (Employment Training)	\$ 7,000	0.1%
		See Below

**FICA (Social Security)** - Please enter the employee rate of 6.2%; AccuBuild will automatically use 6.2% for the employer contribution rate.

#### **FICA (Additional Medicare)**

- Additional Medicare - Tax Rate (Employee) – This field holds the Additional Medicare Tax rate entered as a percentage. Enter 0.9 in this field.
- Additional Medicare - Exempt Wage Cutoff – This field contains the amount of Medicare Wages that must be reached **before** the Additional Tax is required. In 2017, the Exempt Wage Cutoff amount is \$200,000 which means that the Additional Medicare Taxes are only due on Medicare Wages that exceed \$200,000 for the payroll year. Once this limit is reached, the Additional Medicare tax will be withheld from the employee's check.
- Additional Medicare – Tax Rate (Employer) – This field is a READ ONLY field and contains the Additional Medicare Tax rate for the Employer. Currently for 2017, there is NO required tax for the employer tax burden so a rate of zero is shown.

**Federal Unemployment Tax** - The FUTA tax rate is 6.0% but generally you can take a 5.4% credit for the amount that you pay into a state unemployment fund. If you are entitled to the maximum 5.4% credit and the state **is not** determined to be **credit reduction state**, then the tax rate is 0.6%.

"A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The Department of Labor determines these states. If an employer pays wages that are subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax when filing its Form 940." (<http://www.irs.gov/pub/irs-pdf/p15.pdf>)

- **If you have payroll in only one state**, and your state is a credit reduction state, then enter the proper tax rate in the FUTA field.
- **If you have payroll in multiple states**, and one or more of the states is a credit reduction state, use 0.6% as the FUTA tax rate. Due to the fact that there is only one FUTA tax rate field, you will need to manually adjust the FUTA tax rate accrual with a general journal entry.
- You may utilize the **FUTA Tax Liability Report** to help you determine the tax amount due. This report will compare the accrued FUTA (posted with each pay check) and the calculated FUTA (based on the Federal rate of 0.6%) to calculate an over/under accrued liability amount which may then be adjusted with a general journal entry. Again, if you are in a credit reduction state, refer to the single state/multiple states notations above and consider how this may impact the report. Please check with your CPA if you are uncertain of the FUTA tax rate for your company.

The **State Unemployment** tax rate and the **Employment Training** tax rate are supplied to your company by the State. These rates are different for each company and are based on the amount of unemployment taxes paid by your company, along with the amount of unemployment claims charged to your company.

## 8. Review Employee Information on the Federal Tab

- Click **Employees > Fed** tab.
- Review **Box 12**, **Box 13** and **Box 14** information. Review the IRS documentation on the reporting requirements for these boxes with your CPA. Please refer to the documentation on entering a fringe benefit check for Box 14 amounts.

### Employee Deductions for items in Box 12:

- On the **Payroll > Employees > Fed** screen, manually enter the total amount in field A, B, C or D of Box 12 with the appropriate IRS code.
- Instead of entering the amount manually on the employee screen, you may click on the Ded Accum setting on the same screen and then select the appropriate deduction accumulator. If an accumulator is selected, then the system will automatically calculate the amount based on the check records for 2016. *Note: In order to use the feature properly, be sure that the deduction accumulator has been reserved for only one type of deduction. In other words, be sure that two different types of local deduction codes (such as 401K and Child Support) have not been assigned to the same accumulator. Otherwise, the calculated amount for the 401K would be incorrect.*

**Employer Paid Health Insurance** - The **Affordable Care Act** requires employers to report the cost of coverage under an employer-sponsored group health plan on an employee's Form W-2,

Wage and Tax Statement, in Box 12, using Code DD.

- On the **Payroll > Employees > Fed** screen, manually enter the total amount in field A, B, C or D of Box 12 with the IRS code DD.
- Instead of entering the amount on the employee screen, you may edit the W-2 information using the Aatrix program (**Payroll > Tax Forms / E-File / W2s**). The W-2 grid will display the employee information in a grid format including a column for the employer paid health insurance. This may be quicker than editing each individual employee, however, these entries **will not** be stored in the AccuBuild program.

## 9. Adjust Annual Cutoff Limits on Employee Deductions.

If you are using a **local deduction code** for an employee deduction, then be sure to update the cutoff limit in the employee's file. The cutoff limit should be changed to reflect the **new remaining balance** for the deduction in the new year.

- Click **Payroll > Employees**.
- Select an employee and click the **Deds** tab.
- Click **Edit** to make your changes.
- If an employee has fully satisfied a deduction in 2016, then be sure to remove the deduction code completely from the employee's file otherwise the deduction will continue in 2017.

## 10. Create Time Card Entries and Print Payroll Checks in 2017.

Once you have completed all items listed above, **you may process** the first payroll batch for the calendar year 2017. You **do not have to print W-2s** before processing checks for 2017.

**Before you post the batch**, verify that the year-to-date earnings on the checks **do not** include earnings from 2016.

## 11. If you need to enter adjustments to 2016 payroll AFTER you have posted checks in 2017 . . .

... then you will need to change the payroll cutoff date BACK to 12/01/2016 and let the system update the employee year-to-date accumulators. This must be done BEFORE you calculate any taxes on any adjustments to 2016 otherwise the YTD totals will not be correct. Keep in mind that the year end release has already been installed at this point, therefore, the FWH and SWH calculations may be slightly different. You may also need to change the State Unemployment and/or other tax rates back to their original settings for 2016 in order for the system to calculate your employer burden correctly. Consider turning on the 'override auto tax calculation' option on the **Employees > Fed Tab** so that you may manipulate the tax amount and subject wage amounts.

## 12. You are now ready to print W-2s.

AccuBuild uses Aatrix to produce W-2s and quarterly payroll tax reporting. This software is accessed through the **Payroll > Tax Forms / E-File / W2s** menu option. The **Payroll > W2s** menu option will only allow you to update your company tax identification information and print the **W2 Information Report**.

## 1.8 W-2 Reconciliation Worksheet

### W-2 Reconciliation Worksheet

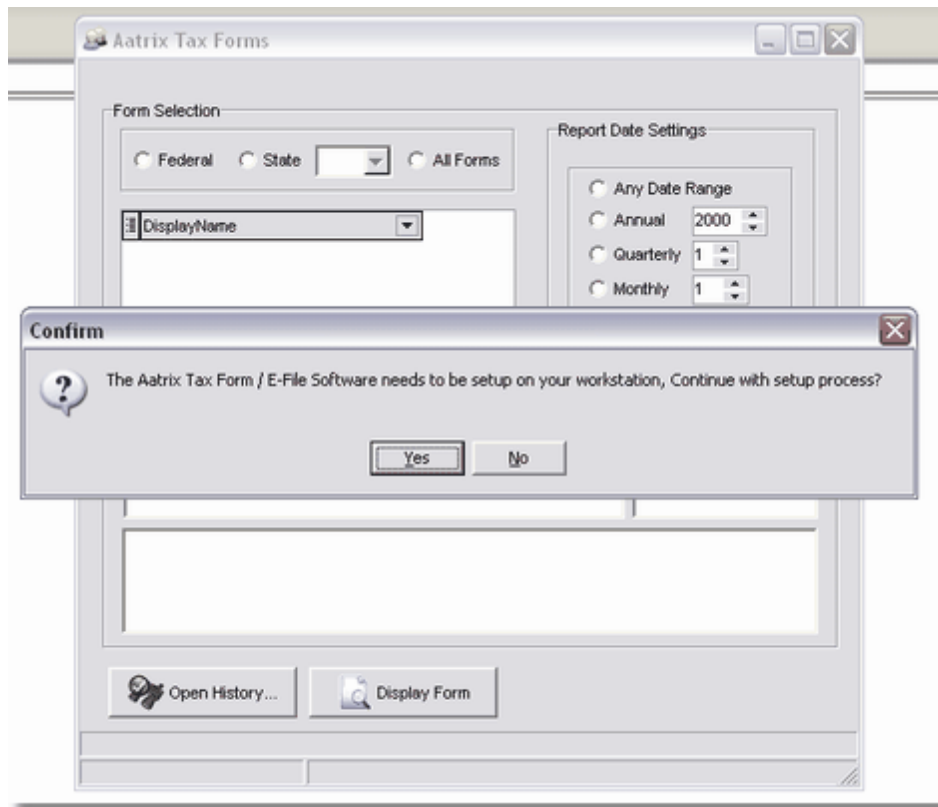
You may use this form to help you reconcile the federal and state quarterly payroll tax returns to the **W2 Information Report**.

Quarterly 941 Reports							
	941 Line	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals	W2 Box
Wages	2						1 & 16
Fed W/H	3						2
<b>FICA Wages</b>							
SS Wage	5a C1						3
SS Tax	5a C2						4
Medi Wage	5c C1						5
Medi Tax	5c C2						6
Quarterly State Payroll Tax Reports							
State W/H							17
SDI							19

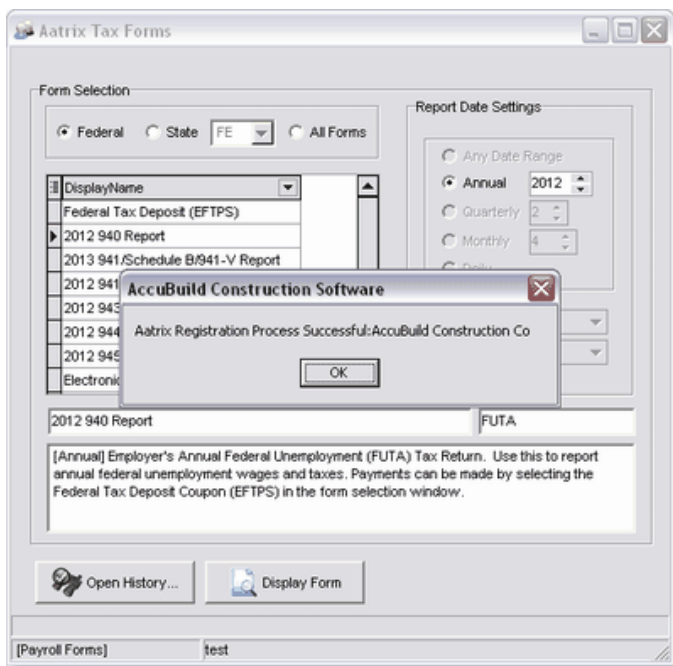
## 1.9 Install Aatrix Software

### Install Aatrix Software (Non AB Cloud Users Only)

The **Aatrix Software** is accessed through the **Tax Forms / E-File** option on either the **Payroll** or **Payables** menu. The system will prompt the user to install the software if it has not been previously installed on the workstation. (The program only needs to be installed on those workstations where the user has been given access to the **Tax Forms / E-file** menu option.) Click **Yes** to start the setup process and simply follow the prompts to complete the **Installation Wizard**.



- The *Aatrix Program* will be installed on the local C Drive under the Windows **Application Data \AccuBuild\AatrixSoftware** folder. During the installation, the program will automatically register your company with Aatrix. If the registration process fails for any reason, please contact the [AccuBuild Support Staff](#) immediately for further assistance. After you click **Finish** on the **Install Wizard**, you will need to **close the Aatrix Tax Forms screen** before you will be permitted to use the forms.



- After the Aatrix Software has been installed, open the AccuBuild Program and make sure the Federal Tax ID for Payroll Forms and 1099 Forms has been set up under the following screens.  
*Note: Failure to perform this step may result in an error when displaying a tax form.*
- **Payroll > W2s.** Click on the **Properties** button.
- **Payables > Accounts Payable Reports > 1099s.** Click on the **Properties** button.

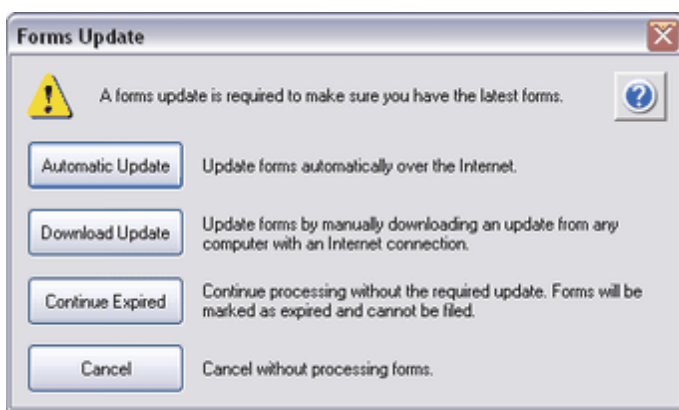


## 1.10 Print W2s

### Print W2s

Please note that a [video on processing your W-2s](#) through Aatrix is available through the **Support > Aatrix Partner Page** menu option located at the top of the main AB program screen. Please use the video in conjunction with the information presented below.

1. The W-2s **DO NOT** have to be printed before closing the payroll year or before entering data into 2017.
2. To create the W-2s, go to **Payroll > Tax Forms / E-File / W-2s**.
3. Select the **2016 W-2/W-3**. **Note: This option will be available December 12, 2016.**
4. Click the **Display Form** button.
5. Aatrix will automatically check whether you have the latest version of all forms installed. Choose **Automatic Update** to install the most current version of the forms. **Note: We recommend you minimize the main AccuBuild window at this point. The Aatrix Update Client Screen may hide behind the main AccuBuild Screen and you may not notice that it is prompting you for a response.**



6. Whenever you print W-2s, the system will display the **Company Setup Wizard** where you will confirm and/or type in additional information necessary for processing the tax forms.
  - **Federal Tax Identification** - Aatrix will display your company's federal tax id that you have already entered into AccuBuild when you set up the system. If this information is not correct, please change this information on the **Payroll > W2s > Properties** screen.



**Company Setup Wizard**

Get Started Printing or eFiling Your Federal & State Forms

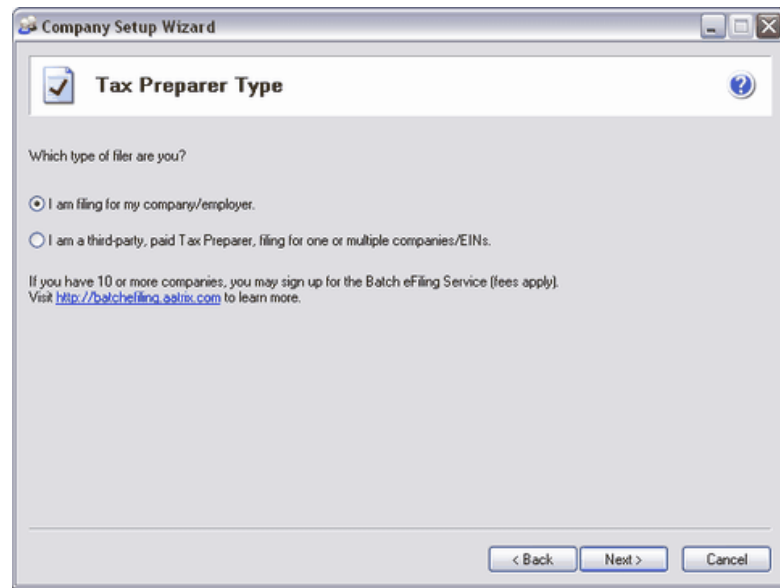
Please verify this company's Federal Employer Identification Number (FEIN). This number is used on ALL payroll forms and MUST be correct. If this number is NOT correct, you MUST return to your accounting/payroll software to make the correction.

Company FEIN

9 5 - 1 2 3 4 5 6 7

< Back Next > Cancel

- **Company Information** - Complete the requested information on the company information screen; click **Next**. Click the info icon located at the top right of the screen for more information about each field.
- **Tax Preparer Type** - There are two preparer types to choose from:
  1. You are filing the forms for your company or employer
  2. You are a 3rd party, paid Tax Preparer, filing for one or more companies. If you choose this option, then there will be additional information that you need to fill out about yourself.



**Company Setup Wizard**

**Tax Preparer Type**

Which type of filer are you?

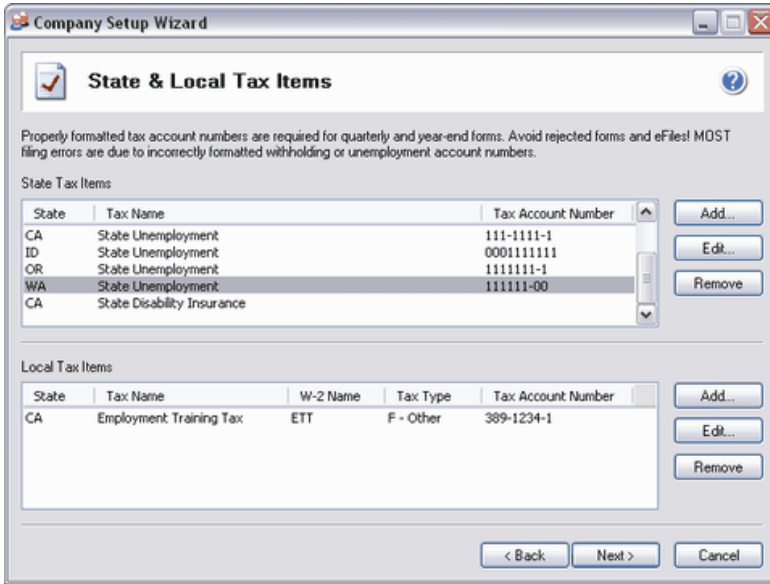
☒ I am filing for my company/employer.

☐ I am a third-party, paid Tax Preparer, filing for one or multiple companies/EINs.

If you have 10 or more companies, you may sign up for the Batch eFiling Service (fees apply). Visit <http://batchefiling.aatrix.com> to learn more.

< Back Next > Cancel

- **State and Local Tax Items** - Aatrix will display the state tax identification numbers that you have already entered into AccuBuild when you set up the system. Be sure to review the settings and make any changes on this screen as needed.



**Company Setup Wizard**

**State & Local Tax Items**

Properly formatted tax account numbers are required for quarterly and year-end forms. Avoid rejected forms and eFiles! MOST filing errors are due to incorrectly formatted withholding or unemployment account numbers.

State Tax Items

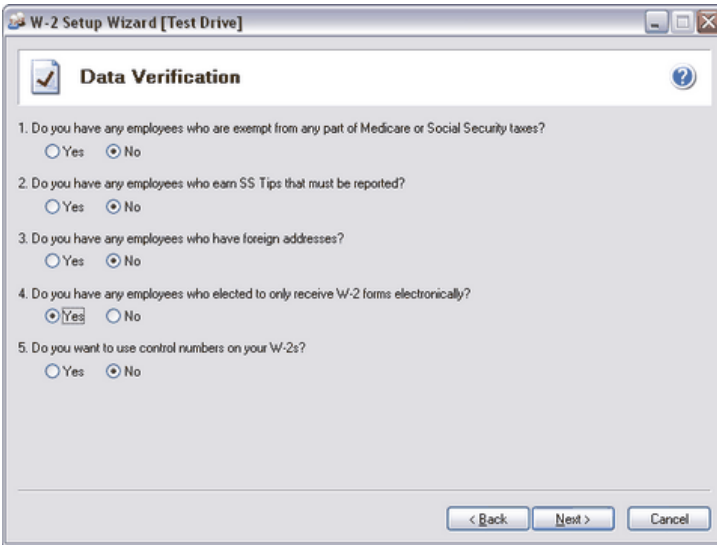
State	Tax Name	Tax Account Number
CA	State Unemployment	111-1111-1
ID	State Unemployment	0001111111
OR	State Unemployment	1111111-1
WA	State Unemployment	111111-00
CA	State Disability Insurance	

Local Tax Items

State	Tax Name	W-2 Name	Tax Type	Tax Account Number
CA	Employment Training Tax	ETT	F - Other	389-1234-1

< Back   Next >   Cancel

- **Data Verification** - Answer the questions on the screen; click **Next**.
  - **Note:** If any of your employees have elected to only receive W-2 Forms electronically, then they must complete a consent form and it must be submitted to Aatrix prior to filing the forms.



**W-2 Setup Wizard [Test Drive]**

**Data Verification**

1. Do you have any employees who are exempt from any part of Medicare or Social Security taxes?  
☐ Yes ☒ No
2. Do you have any employees who earn SS Tips that must be reported?  
☐ Yes ☒ No
3. Do you have any employees who have foreign addresses?  
☐ Yes ☒ No
4. Do you have any employees who elected to only receive W-2 forms electronically?  
☒ Yes ☐ No
5. Do you want to use control numbers on your W-2s?  
☐ Yes ☒ No

< Back   Next >   Cancel

- **W-3 Information** - Complete the requested information on the W-3 Information screen; click **Next**. Refer to the info icon located on the top right of the screen for more information about each field. The 'Kind of Employer' field must be filled in.

W-2 Setup Wizard [Test Drive]

---

**W-3 Information**

Control number (Box a):

Kind of Payer (Box b - check all that apply)

☒ 941
 ☐ Military
 ☐ 943 (Agriculture)
 ☐ 944

☐ CT-1 (Railroad)
 ☐ Household Employer
 ☐ Medicare Government Employer

Kind of Employer (Box b):

☐ Third-party sick pay (Box b)

Income tax withheld (Box 14):

Establishment number (Box d):

Other EIN used this year (Box h):

☐ Business terminated this year

- **Multiple Payroll Data Files** - Select 'single payroll data file for this EIN'; click **Next**.

**W-2 Setup Wizard [Test Drive]**

**Multiple Payroll Data Files**

**Please Read Carefully**  
Answering incorrectly may require you to restart the filing process.

Do you use multiple payroll data files for the **same federal EIN**?

You may be using multiple payroll data files in your accounting software to handle:

- multiple companies
- multiple departments
- multiple divisions
- multiple sites

all under the same federal EIN.

☐ Yes, I use multiple payroll data files for this EIN.

☒ No, I use a single payroll data file for this EIN.

< Back   Next >   Cancel

- **Verify Employee Information** - The employee information grid will display all company information and earnings as recorded in AccuBuild. Scroll to the right on the grid to display all columns including those for Box 12. Changes may be made directly on the grid, however, this information **will not** update AccuBuild's historical information and, therefore, **will not be included** in any AccuBuild payroll reports.
- Click the **Next Step** button to proceed.

**MAJESTIC SHOOTERS, INC. - W2/1099 Preparer [Test Drive]**

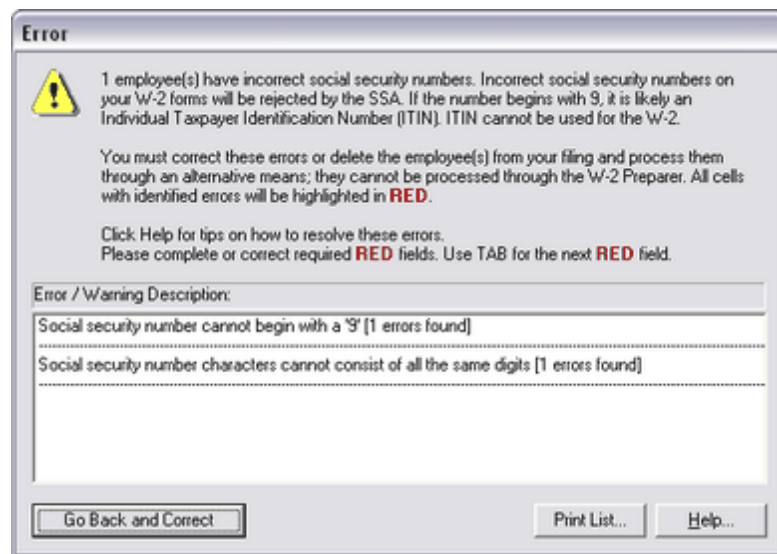
File Edit View Help

Verify Employee Information ..... then click **Next Step**

	Box a	Box e	Box e	Box 1	Box 2	Box 3	Box 4	Box 5	Box 6	Box 7	Box 16
	SSN	Last Name	First Name	Fed Wages	Fed Withheld	SS Wages	SS Withheld	Medicare W.	Medicare W.	SS Tip	AZ Wages
1	000-00-0001	Bowling B	Isa	8445.60	638.58	8431.00	522.72	8431.00	122.25		
2	999-99-9999	Det	Joe	11859.40	2099.00	11859.40	498.09	11859.40	171.96		7160.00
3	123-45-5555	Doe	Jane	5724.39	402.00	5048.19	254.02	5048.19	57.70		
4	555-55-5555	Foreman	Guy	1000.00	163.00	1000.00	42.00	1000.00	14.50		
5	456-78-3100	Kinder	Lisa	668.20	60.00	668.20	21.00	668.20	7.25		
6	626-62-6260	Nankivell	Ashley	34400.00	10572.00	34400.00	1344.00	34400.00	464.00		
7	139-32-4134	Oregon	Job	200.00	16.00	200.00	12.40	200.00	2.90		
8	123-45-6478	Salabedra	Osco	4470.00	311.00	3040.40	67.20	3040.40	23.20		
9	123-43-8316	Washington	John	2000.00	230.00	2000.00	115.00	2000.00	60.00		
<b>Totals</b>			<b>9 Employees</b>	<b>68767.59</b>	<b>14891.58</b>	<b>63647.19</b>	<b>2876.43</b>	<b>68647.19</b>	<b>953.76</b>		<b>7160.00</b>

Prev Step   Next Step

If Aatrix finds any errors in the employee information, then the system will display the specific issues in a pop up screen. Any items displayed in RED must be fixed before the process may continue. In this example, Aatrix has found social security numbers that are not correct. Click the Go Back and Correct button to fix the errors temporarily in the Employee Information Grid.



If any of your employees have elected to only receive their W-2s electronically, then the employee's email must be entered and the **Electronic Only W-2** column must be checked. If the employee's email address was entered into the employee information screen in AccuBuild, then it will automatically populate the grid, however, the email address may be entered in this grid as a temporary fix. The **Electronic Only W-2** is NOT a field in the AccuBuild program so you must check this box in the Aatrix grid as appropriate. Be sure any applicable employees have completed the **Electronic Only W-2** consent form and submit the forms to Aatrix before filing your W-2 forms. The **Electronic W2 Consent** form can be found on the **Payroll > Tax Forms / E-File / W-2s > Aatrix Tax Forms** screen.

	Box 1	Box 1	Box 1	Box 1	Electronic Delivery	Box 13	Box 13	Box 13	Electronic Only
	Address Li...	City	State	Zip Code	E-mail Address	Statutory E...	Retirement ...	Third-Party ...	Electronic W-2
1	Money	CA	97777		imabigwigg@accubuild.com	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2		Ontario	CA	91761		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3		ontario	CA	91111		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4		Ontario	CA	91760		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5		Palm Desert	CA	92363		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6		Palm Desert	CA	92211		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7		Oregon City	OR	91111		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8		Ontario	CA	93362		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9		Washington C VWA		93333		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals									

- Once the **Company Wizard** has been completed, the **Aatrix Software** will display the selected form.

7. We highly recommend that you take advantage of the eFile option for your W-2s. The 'Complete W2 eFiling Service; includes printing, mailing and online access for the W2 recipients; eFiling of the Federal & State W2s and W3; Employer copies of the W2s. eFile packages for W2s are NOT included in the basic eFile pricing options for quarterly and other reports. **\*\*\* If you are required to file Affordable Care Act forms 1095, then file your Complete W2s first, then your Complete 1095s to qualify for a 50% discount on 1095s.\*\*\*** If you choose to eFile, then be sure that you have registered with Aatrix prior to attempting the filing. Be sure to eFile your W2s at least three business days prior to the date that they are due.

The screenshot shows a window titled "W-2/1099 Preparer" with a sub-header "W-2 Printing and Filing Options". Below this, it states "eFile Services allow you to pick Filing Dates. FREE Corrections before selected Filing Dates. [More info?](#)".

There are two main options:

- Complete W-2 eFiling Service** (Selected): **Next Business Day Mailing!**
  - ☒ **Complete W-2 eFiling Service** (The eFile Center will)
    - Print and Mail Employee Copies: 1 employee, \$1.99 each, \$1.99 subtotal.
    - eW-2 Only Employee Copies: 0 employees, \$0.99 each, \$0.00 subtotal.
    - File your Fed W-2s and W-3 to the SSA: included, FREE.
    - File your State W-2s and Reconciliation Forms: included, FREE.
    - eW-2s Available for All Employees: included, FREE.
- Other Options** (eFilers receive Free Corrections before selected Filing Dates):
  - ☐ Print my Employee W-2s
  - ☐ eFile Federal W-2s and W-3: 1 employee, \$0.00 each, \$0.00 subtotal.
  - ☐ No State W-2 Filing Required: \$0.69 each, \$0.00 subtotal.
  - ☐ Print Federal W-2s and W-3
  - ☐ No State W-2 Filing Required

At the bottom, it says "Official Employer W-2s will display when Federal W-2s are selected". The "Total Cost" is \$0.00. Navigation buttons at the bottom are "< Back", "Next >", and "Cancel".

8. If you will be printing and mailing your own W-2s, then the system will walk you through the printing of each copy of the W-2 and Form W-3. The Aatrix **W-2 Federal Copy A** and **Form W-3** have been approved by the IRS as substitute forms and may be printed to blank, standard paper stock and will print in black and white. The Employee, Employer and State W-2 copies have been formatted to print all four copies on a single perforated page. The 'Instructions to Employee' must be either printed on the back of the W-2 or included on a separate page along with the W-2. Refer to the 'Order Tax Forms' section of the Calendar Year End Notes for more information.
9. After your W-2s are complete, generate the **Affordable Care Act Forms**, if applicable to your company. Please refer to the separate ACA documentation for complete information on setting up your master list of health insurance plans in AB, linking these plans to the employees, and creating the ACA forms. If you used the 'Complete W2' eFile package, and then use the 'Complete ACA' eFile package, you will qualify for a 50% discount on the ACA form filing.

## 1.11 Affordable Care Act (ACA)

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The **Affordable Care Act** requires certain employers, referred to as an 'Applicable Large Employer' (ALE), to offer health insurance coverage to full-time employees and their dependents. A company is considered an ALE if it has at least 50 full-time employees or full-time equivalent employees. Per the ACA, a full-time employee is someone who works a minimum of 30 hours per week. A full-time equivalent employee is two or more part-time employees whose hours add up to meet the minimum full time requirement of 30 hours per week. For example, if one employee works 10 hours per week and another employee works 20 hours per week, then their hours would equate to one full-time equivalent. If you are not sure if your company qualifies as an ALE member, then you must consult with your company's CPA, Controller or an ACA Consultant.

If you are an Applicable Large Employer, then you are responsible for filing Forms 1094-C Transmittal and 1095-C Health Coverage with the IRS. If your company is self-insured, then you are also responsible for filing Forms 1094-B and 1095-B.

Please Note: The ACA reporting is in addition to the health insurance reporting found on the W-2s. Again, ACA reporting is only applicable to ALE and/or self-insured companies. The health insurance information on the W-2s is applicable to **ALL EMPLOYERS**.

The ACA information is entered into AccuBuild using the **Payroll > Controls > List of Health Insurance Plans** and the **Payroll > ACA Employee Records** options. The forms can be eFiled or printed through the **Payroll > ACA Forms / E-File** option. If you are printing and mailing your own forms, then you may print the forms to plain paper. The employee copies are formatted to use the same envelopes as the W-2s. If you are planning to eFile the ACA Forms, take advantage of discounted pricing by purchasing the Complete W-2 Package and the Complete ACA Package; the W-2s must be eFiled first to get the discount.

Please refer to the separate documentation on ACA reporting on the AccuBuild website or in the AccuBuild Help Manual for more detailed information.



## 1.12 Review 1099 Information

### Review 1099 Information

#### 1. Finish All Accounts Payable Entries for the Year 2016.

Be sure that all checks have been entered for any vendor that is eligible for a 1099.

AccuBuild prints to the 1099 MISC forms only and only prints amounts in Box 1 and 7. The 1099s are created for each non-corporation payee in the system with a year-to-date accumulated payment of \$600 or more. The year-to-date totals are based on the account assigned to each payment. Accounts subject to 1099 reporting fall into one of two categories: Rents or NEC (non employee compensation). This account setting can be changed at any time and will include or exclude amounts from the report when the setting is changed. Please refer to the IRS instructions on 1099s for further information.

#### 2. Print the 1099 Information Report.

The **1099 Information Report** will list the vendors that have been set up to receive 1099s and the amounts that will be reported.

- Click **Payables > Accounts Payable Reports > 1099s**.
- Enter the **1099 Cutoff Year** as 2016.
- Click on the **View 1099s** button.
- On the next screen, click on the **1099 Info Report** button to print the report.

If you do not see a payee reflected on the report or if you do not see the correct dollar amount for a payee on the report, then print a detail report of checks to view the expense account(s) used on the transactions. The 1099s will only include those amounts that have been charged to an account with a 1099 Code of **Non Employee Compensation (NEC)** or **Rents** as set up in the **Chart of Accounts**. If you have coded a check to the wrong account, make your correction with a handwritten check for the specific payee in the 2016 calendar year. The net amount of the check will be zero but you will debit the account the payment should be applied to and credit the account the payment was originally posted.

- Click **Payables > Accounts Payable Reports > Cash Disb Detail Report**.
- Select the **Vendor Order** option.
- Select a partial run option to print the report for just one vendor.
- Enter the date range as **01/01/2016** through **12/31/2016**.
- Select **All Source Codes (1099 Detail)** to include joint check cash receipts.

If a payee is coded to the proper account but still does not appear on the report as expected, then check the 1099 Settings on the Client List > Account Tab. If the payee has been marked as a corporation, then they will be excluded from the report. If the payee was linked to another pay in error via the 1099 Client Number field, then their amount will be included with the other payee:

- **1099 Client Number** - This field can be used to link one vendor to another vendor when processing the 1099s. This option is useful if two separate vendor numbers have been set up for the same vendor and checks have been written in the current year using both vendor numbers.

Linking the vendors together will produce only one 1099 for that vendor.

If you are going to eFile your 1099s, and the payee has elected to receive an electronic 1099, then be sure to update the 1099 Settings on the Client List > Account Tab.

- **1099 Electronic Consent** - Check this box if the vendor / subcontractor has consented to an electronic 1099. The 1099 Electronic Consent form can be found on the **Payables > Tax Forms / E-File / 1099s** menu. The completed forms must be submitted to Aatrix prior to eFiling the 1099 forms.
- **Email Address** - Enter the vendor's email address that will be used when sending the electronic 1099.

### 3. Print the 1099s.

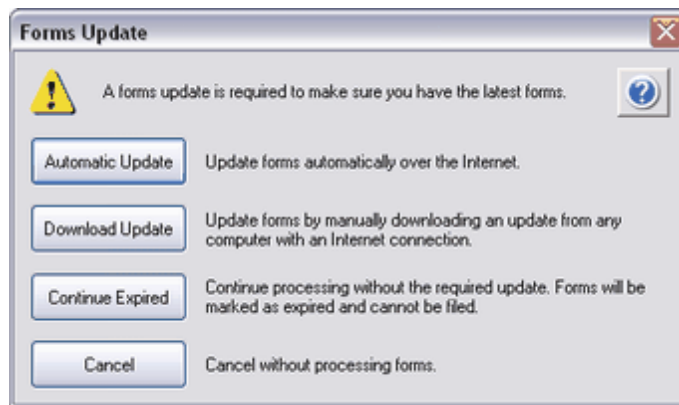
The 1099s **DO NOT** have to be printed before rolling the month of December or before entering data into 2017. The system will prompt you for the reporting year and then sort through all the check detail in order to calculate the totals.

## 1.13 Print 1099s

### Print 1099s

Please note that although a video is NOT available specifically for the 1099s, the functionality in Aatrix is very similar to the W-2s. You may access the W-2 video through the **Support > Aatrix Partner Page** menu option located at the top of the main AB program screen. Please use the video in conjunction with the information presented below.

1. The 1099s **DO NOT** have to be printed before closing the payroll year or before entering data into 2017.
2. To create the 1099s, go to **Payables > Tax Forms / E-File / 1099s**.
3. Select the **2016 1099-MISC** option. **Note: This option will be available December 12, 2016.**
4. Click the **Display Form** button.
5. Aatrix will automatically check whether you have the latest version of all forms installed. Choose **Automatic Update** to install the most current version of the forms. **Note: We recommend you minimize the main AccuBuild window at this point. The Aatrix Update Client Screen may hide behind the main AccuBuild Screen and you may not notice that it is prompting you for a response.**



6. Whenever you print 1099s, the system will display the **1099 Setup Wizard** where you will confirm and/or type in additional information necessary for processing the tax forms.

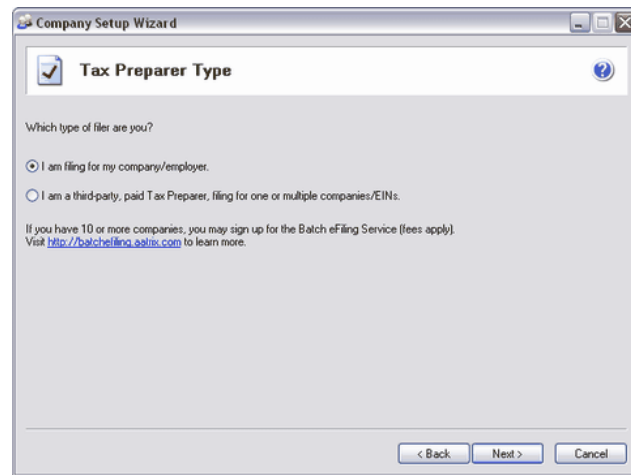


- **Federal Tax Identification** - Aatrix will display your company's federal tax id that you have already entered into AccuBuild when you set up the system. If this information is not correct, please change this information on the **Payables > Accounts Payable Reports > 1099s > Properties** screen.



The screenshot shows the 'Company Setup Wizard' window. The title bar says 'Company Setup Wizard'. Inside the window, there's a header 'Company Setup Wizard' with a checkmark icon and a help icon. Below the header, the text reads: 'Get Started Printing or eFiling Your Federal & State Forms'. A paragraph follows: 'Please verify this company's Federal Employer Identification Number (FEIN). This number is used on ALL payroll forms and MUST be correct. If this number is NOT correct, you MUST return to your accounting/payroll software to make the correction.' Below this text, the label 'Company FEIN' is centered. Underneath the label is a form field for the FEIN, which is a 9-digit number followed by a hyphen and a 2-digit number. The digits are displayed in individual boxes: 9, 5, -, 1, 2, 3, 4, 5, 6, 7. At the bottom of the window, there are three buttons: '< Back', 'Next >', and 'Cancel'.

- **Company Information** - Complete the requested information on the company information screen; click **Next**. Click the info icon located at the top right of the screen for more information about each field.
- **Tax Preparer Type** - There are two preparer types to choose from:
  1. You are filing the forms for your company or employer
  2. You are a 3rd party, paid Tax Preparer, filing for one or more companies. If you choose this option, then there will be additional information that you need to fill out about yourself.



The screenshot shows the 'Company Setup Wizard' window. The title bar says 'Company Setup Wizard'. Inside the window, there's a header 'Tax Preparer Type' with a checkmark icon and a help icon. Below the header, the text reads: 'Which type of filer are you?'. There are two radio button options:
 

- ☒ I am filing for my company/employer.
- ☐ I am a third-party, paid Tax Preparer, filing for one or multiple companies/EINs.

 Below these options, there is a note: 'If you have 10 or more companies, you may sign up for the Batch eFiling Service (fees apply). Visit <http://batchefiling.aatrix.com> to learn more.' At the bottom of the window, there are three buttons: '< Back', 'Next >', and 'Cancel'.

- **State and Local Tax Items** - Aatrix will display the state tax identification numbers that you have already entered into AccuBuild when you set up the system. Be sure to review the settings and make any changes on this screen as needed.

**Company Setup Wizard**

**State & Local Tax Items**

Properly formatted tax account numbers are required for quarterly and year-end forms. Avoid rejected forms and eFiles! MOST filing errors are due to incorrectly formatted withholding or unemployment account numbers.

State Tax Items

State	Tax Name	Tax Account Number
CA	State Unemployment	111-1111-1
ID	State Unemployment	0001111111
OR	State Unemployment	1111111-1
WA	State Unemployment	111111-00
CA	State Disability Insurance	

Local Tax Items

State	Tax Name	W-2 Name	Tax Type	Tax Account Number
CA	Employment Training Tax	ETT	F - Other	389-1234-1

< Back   Next >   Cancel

- **Data Verification** - Answer the questions on the screen; click **Next**.
  - **Note:** If any of your recipients have elected to only receive 1099 Forms electronically, then they must complete a consent form and it must be submitted to Aatrix prior to filing the 1099 forms.

**1099 Setup Wizard**

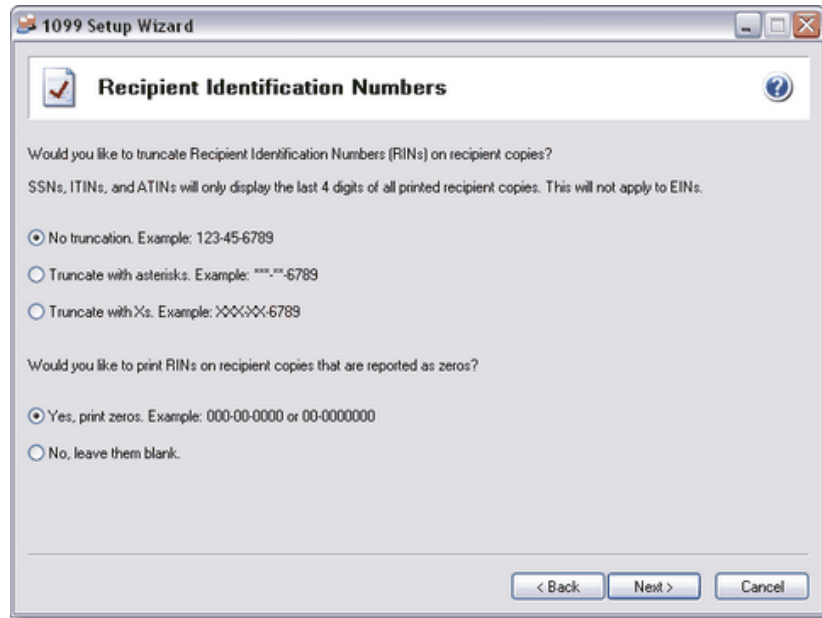
**Data Verification**

1. Do you have any recipients who elected to only receive 1099 forms electronically?

☐ Yes   ☒ No

< Back   Next >   Cancel

- **Recipient Identification Numbers** - Make your selection as to how you would like the recipients tax id to print on the form; click **Next**.



**1099 Setup Wizard**

**Recipient Identification Numbers**

Would you like to truncate Recipient Identification Numbers (RINs) on recipient copies?  
SSNs, ITINs, and ATINs will only display the last 4 digits of all printed recipient copies. This will not apply to EINs.

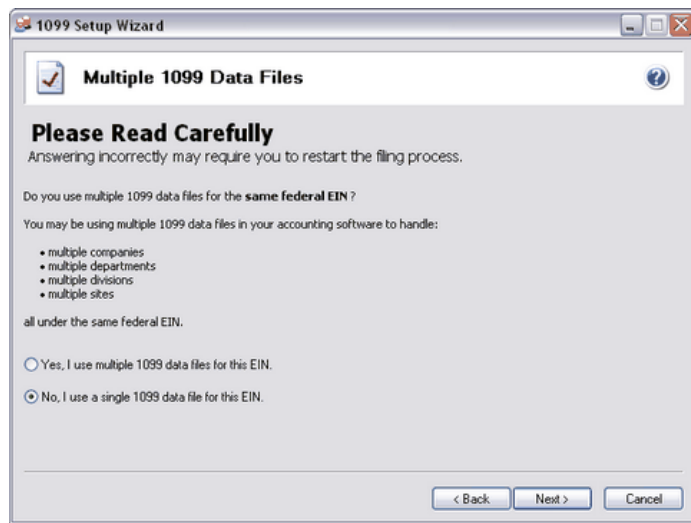
☒ No truncation. Example: 123-45-6789  
☐ Truncate with asterisks. Example: \*\*\*-\*\*-6789  
☐ Truncate with Xs. Example: XXX-XX-6789

Would you like to print RINs on recipient copies that are reported as zeros?

☒ Yes, print zeros. Example: 000-00-0000 or 00-0000000  
☐ No, leave them blank.

< Back   Next >   Cancel

- **Multiple 1099 Data Files** - Select 'single 1099 data file for this EIN'; click **Next**.



**1099 Setup Wizard**

**Multiple 1099 Data Files**

**Please Read Carefully**  
Answering incorrectly may require you to restart the filing process.

Do you use multiple 1099 data files for the **same federal EIN**?

You may be using multiple 1099 data files in your accounting software to handle:

- multiple companies
- multiple departments
- multiple divisions
- multiple sites

all under the same federal EIN.

☐ Yes, I use multiple 1099 data files for this EIN.  
☒ No, I use a single 1099 data file for this EIN.

< Back   Next >   Cancel

- Verify Recipient Information** - The employee information grid will display all company information and payments as recorded in AccuBuild. AccuBuild will only calculated amounts for Box 1 (Rents) and Box 7 (Non Employee Compensation). Changes may be made directly on the grid, however, this information **will not** update AccuBuild's historical information and, therefore, will not affect any AccuBuild reports. Click the **Next Step** button to proceed.

TIN Flag	Recipient C	Optional No.	Recipient A	Box 1	Box 2	Box 3	Box 4	Box 5	Box 6	Box 7	Box 8	Box 9
Check if FEIN	Company N.	Full Name	Address L.	Rents	Royalties	Other Income	Federal Inc...	Fishing Box...	Medical and...	Nonemploy...	Substitute P...	Payer Made
1	<input checked="" type="checkbox"/>	ABC GRADIN	700 9TH STR							1500.00		
2	<input checked="" type="checkbox"/>	EFG ELECTRS	P.O. BOX 789							1800.00		
3	<input checked="" type="checkbox"/>	BGO TOYS EQ	1000 MAIN S	750.00								
<b>Totals</b>				<b>750.00</b>						<b>3300.00</b>		

If Aatrix finds any errors in the recipient information, then the system will display the specific issues in a pop up screen. Any items displayed in **RED** must be fixed before the process may continue.



7. We highly recommend that you take advantage of the eFile option for your 1099s. The 'Complete 1099 eFiling Service' includes printing, mailing and online access for the 1099 recipients; eFiling of the Federal & State 1099s and 1096; Payer copies of the 1099s. eFile packages for 1099s are NOT included in the basic eFile pricing options for quarterly and other reports. If you choose to eFile, then be sure that you have registered with Aatrix prior to attempting the filing. Be sure to eFile your 1099s at least three business days prior to the date that they are due.
8. If you will be printing and mailing your own 1099s, then the system will walk you through the printing of each copy of the 1099 and Form 1096. The Aatrix **1099 Federal Copy A** and **Form 1096** must be printed on the pre-printed RED forms that you may purchase from one of AccuBuild's approved vendors. The Federal copy will be printed two to a page. The Recipient and Payer copies will be printed four to a page on perforated paper. The 'Instructions to Recipient' must be either printed on the back of the 1099 or included on a separate page along with the 1099 that is sent to the recipient. Refer to the 'Order Tax Forms' section of the Calendar Year End Notes for more information.

**W-2/1099 Preparer**
X

**1099 MISC Printing and Filing Options**

**eFile Services allow you to pick Filing Dates. FREE Corrections before selected Filing Dates. [More info?](#)**

<input checked="" type="radio"/> <b>Complete 1099 eFiling Service</b>	<b>Next Business Day Mailing!</b>	<b># Recipients</b>	<b>Price/Recip.</b>	<b>Subtotal</b>
<u>The eFile Center will:</u>				
- Print and Mail Recipient Copies		1	\$1.99	\$1.99
- e1099 Only Recipient Copies <a href="#">What's This?</a>		0	\$0.99	\$0.00
- File your Federal 1099s and 1096			included	FREE
- File all applicable State 1099s and Reconciliation Forms			included	FREE
- e1099s Available for all Recipients			included	FREE
<b>Total Cost</b>			<b>Minimum</b>	<b>\$24.95</b>

☐ **Other Options** [eFilers receive Free Corrections before selected Filing Dates](#)

<input type="checkbox"/> Print my Recipient 1099 Copies				
<input type="checkbox"/> eFile Federal 1099s and 1096		1	\$0.49	\$ 0.00
<input type="checkbox"/> eFile State 1099s and Reconciliation Forms		1	\$0.69	\$ 0.00
 <input type="checkbox"/> Print Federal 1099s and 1096				
<input type="checkbox"/> Print State 1099s and Reconciliation Forms				
<b>Total Cost</b>				<b>\$ 0.00</b>

Official Payer 1099s will display when Federal 1099s are selected

< Back
Next >
Cancel