

**\*Tax Reporting & Requirements**

Paula Thornton  
Pelham City Schools  
AASBO  
February 12, 2018

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**\*1. 941 Tax Deposit**

**\*2. State Withholding**

**\*MONTHLY REQUIREMENTS**

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**941 INFORMATION**

Due Date:  
Date of Paycheck (i.e. 9/29/2017)

Deposit Penalty:  
2% - beginning on day 1  
15% - day 10 and beyond

\$300,000.00 liability 10 days late would result in \$45,000.00 penalty

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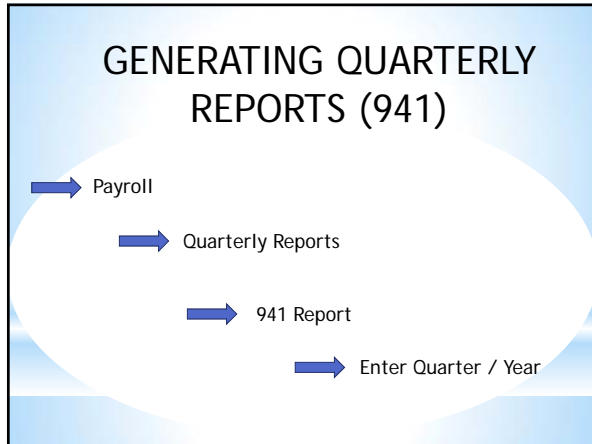
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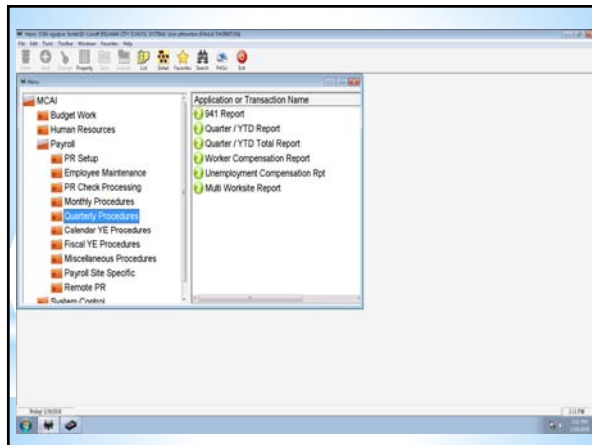
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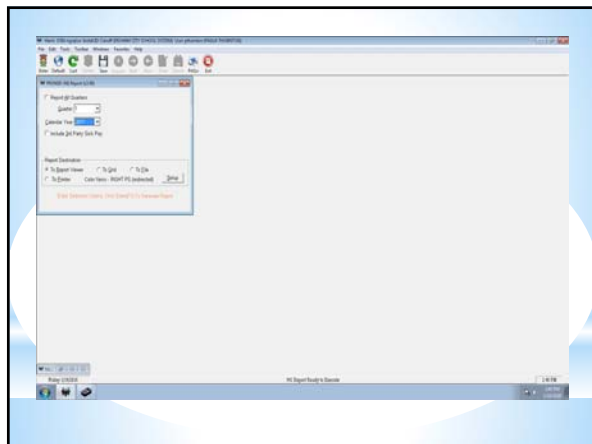
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RUN DATE: MCAI PAYROLL SYSTEM Page 9 of 9  
 RUN TIME: 43119 941 REPORT  
 0.593704  
 PELHAM CITY SCHOOL SYSTEM  
 FIRST QUARTER

	SS WAGES	SS Withheld	Medicare Wages	Med Withheld	Federal Wages	Fed Withheld
GRAND TOTALS	\$ 3,728,503.35	\$ 231,667.59	\$ 3,728,503.35	\$ 54,063.24	\$ 3,425,106.11	\$ 301,671.83
		x2		x2		Less 1st Mth
*** END OF REPORT ***		\$ 462,335.18		\$ 108,126.48		Less 2nd Mth
		Less 1st Mth		Less 1st Mth		Amt due 3rd Mth
		Less 2nd Mth		Less 2nd Mth		
		Amt Due for 3rd Mth and should total your checks		Amt Due for 3rd Mth and should total your checks		

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### STATE WITHHOLDING INFO

**DUE DATE:**  
Due by the 15<sup>th</sup> of the following month

**DEPOSIT PENALTY:**  
10% of tax due

**INTEREST:**  
As of 1/19/2018: 4% annual computed daily

Subject to change - call Withholding Section  
334-242-1300

\$50,000.00 tax due results in \$5000.00 penalty + interest

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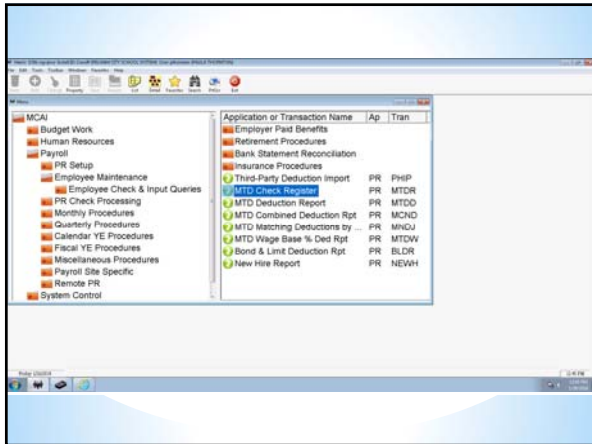
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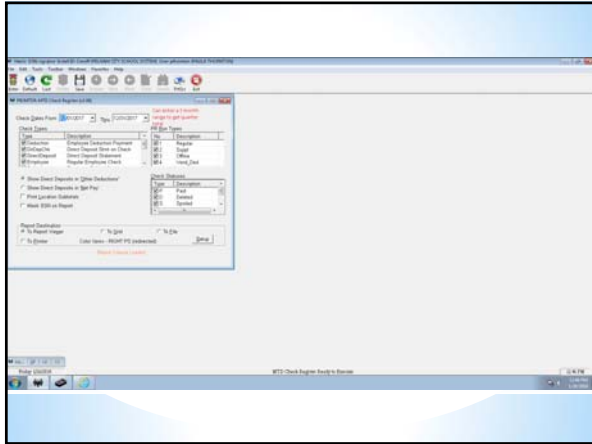
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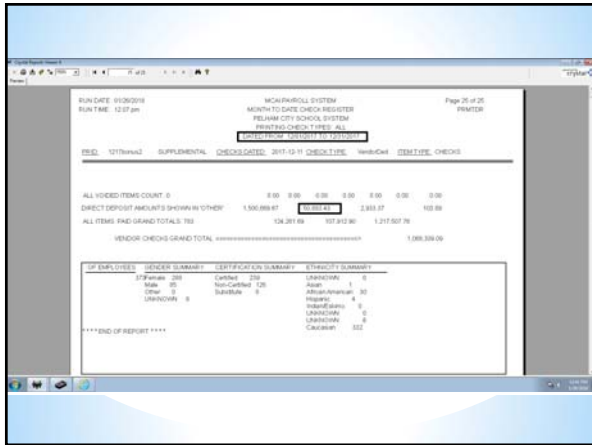
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1. 941 Paper Form - Due by last day of following month
2. State Withholding - Due by the last day of the month following Quarter (Form A-3) Quarterly procedure is basically the same as the month procedure.
3. Unemployment - Dept of Labor
4. Multi Worksite Report

**\* QUARTERLY REQUIREMENTS**

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# 941 PAPER FORM

- [www.irs.gov](http://www.irs.gov) Search 941 Form or
- <https://www.irs.gov/pub/irs-pdf/f941.pdf>
- Complete, Print, Sign and Mail

## 941 Schedule B

<https://www.irs.gov/pub/irs-pdf/f941sb.pdf>

- Enter monthly deposit on actual date payment was made

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### Example of Schedule B

**Schedule B (Form 941):**  
Report of Tax Liability for Semiregular Schedule Depositors  
(Use January 2017)

OMB No. 1545-0047

Employer identification number (EIN)   -

Name (not your trade name)  City School System

Calendar year     (Use check quarter)

**Report for this Quarter...**  
(Check one)  
 1. January, February, March  
 2. April, May, June  
 3. July, August, September  
 4. October, November, December

Use this schedule to show your TAX LIABILITY for the quarter; don't use it to show your deposits. When you file this form with Form 941 or Form 941-SS, don't change your tax liability by adjustments reported on any Forms 941-X or 941-X. You must file out this form and attach it to Form 941 or Form 941-SS if you're a semiregular schedule depositor or become one because your accumulated tax liability on any day was \$100,000 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 for details.

**Month 1**

1	*	9	*	17	*	25	*	Tax liability for Month 1
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	300000.00
6	*	14	*	22	*	30	*	
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Month 2**

1	*	9	*	17	*	25	*	Tax liability for Month 2
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	
6	*	14	*	22	*	30	*	300000.00
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Month 3**

1	*	9	*	17	*	25	*	Tax liability for Month 3
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	
6	*	14	*	22	*	30	*	300000.00
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Total liability for the quarter**

300000.00

For Paperwork Reduction Act Notice, see separate instructions. 941.gov/Form941 Cat. No. 119670 Schedule B (Form 941) (Rev. 1-2017)

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**Month 1**

1	*	9	*	17	*	25	*	Tax liability for Month 1
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	300000.00
6	*	14	*	22	*	30	*	
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Month 2**

1	*	9	*	17	*	25	*	Tax liability for Month 2
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	
6	*	14	*	22	*	30	*	300000.00
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Month 3**

1	*	9	*	17	*	25	*	Tax liability for Month 3
2	*	10	*	18	*	26	*	300000.00
3	*	11	*	19	*	27	*	
4	*	12	*	20	*	28	*	
5	*	13	*	21	*	29	*	
6	*	14	*	22	*	30	*	300000.00
7	*	15	*	23	*	31	*	
8	*	16	*	24	*		*	

**Total liability for the quarter**

300000.00

For Paperwork Reduction Act Notice, see separate instructions. 941.gov/Form941 Cat. No. 119670 Schedule B (Form 941) (Rev. 1-2017)

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# UNEMPLOYMENT COMP REPORT

- Generate report from NextGen - refer to slides 4 and 5
- Upload file on AL Dept of Labor website
- No payment at this time - they send CR4-G
- <https://www.labor.alabama.gov/egov/login.aspx>

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Approved for >

**Quarterly Reporting / EFT (Payments)** File/convert quarterly unemployment compensation report (hand-key or upload), submit EFT / UC Employer Tax Payments. Click link below to continue to specific application. For more information, please [click here](#) for file format specifications.

- Correction of Wages (Form UC-10 C)
- Electronic Funds Transfer (EFT) / UC Employer Tax Payments
- Multiple Employer Representative Set-Up
- Quarterly Benefit Cost / Charge Statements (Forms UC-212, UC-212-A)
- Reimbursable Notice (Forms CR-4 G, UC-212-G, CR-4 N)
- Wage and Tax Reporting (Handkey)
- Wage and Tax Reporting (Upload)

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**SIDES UC Electronic Correspondence (Ben-241)** Respond to requests for information on unemployment compensation claims. Ben241 instructions (pdf)

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## MULTI WORKSITE REPORT

- Generate report from NextGen - refer to slides 4 and 5
- <https://idcf.bls.gov/authentication/login>
- Some systems may still receive the paper request and if so just print the Multi Worksite Report, sign, date and mail. Data does not have to be transferred to their form.

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You have completed entering data for 1 of 3 accounts.  
 Enter data for another 00 Account [Continue](#)

Worksite	Quarter ending December 31, 2017			Quarterly Wages
	Oct	Nov	Dec	
PELHAM BOARD OF EDUCATION 3162 PELHAM POINT PELHAM, AL 35224-2029 CENTRAL OFFICE	17	18	19	\$385,318.00
PELHAM RIDGE 221 APPLEGATE PARKWAY PELHAM, AL 35224-1273 ELEMENTARY	93	93	93	\$1,215,618.00
PELHAM OAKS 2026 HIGHWAY 33 PELHAM, AL 35224				

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## ANNUAL REQUIREMENTS

- W-2 Forms - Due January 31st
- ACA Forms - Due to the IRS by Feb 28<sup>th</sup> and to employees by March 2<sup>nd</sup>
- Truth In Salary Forms - Due to employees by January 31<sup>st</sup>
- All dates subject to change so check each year

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### W-2 INFORMATION

**Penalty:** Internal Revenue Service  
 \$50.00 per form if you file correctly within 30 days  
 - maximum penalty of \$536,000.000  
 430 x \$50.00 = \$21,500.00

\$100.00 per form if you file correctly after 30 days  
 but before August 1<sup>st</sup> - max penalty \$1.6 Million  
 430 x \$100.00 = \$43,000.00

\$260.00 per form after August 1<sup>st</sup>  
 430 x \$260.00 = \$111,800.00

State - wasn't able to get penalty info

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### W-2 INFORMATION

- Payroll Verification Report - run monthly/quarterly
- Import PEEHIP file/3<sup>rd</sup> Party Sick Pay file
- Totals from all 941 and State Reports
- Follow guidelines sent each year by Harris
  - Provide instructions on BSO submission and State submission
- Provide instructions on setting up next calendar year files

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### VERIFICATION REPORT

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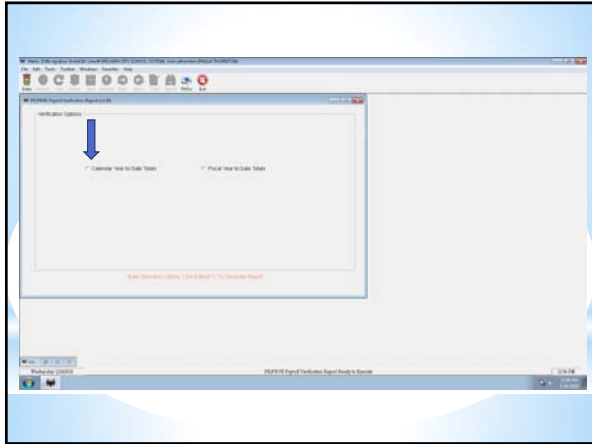
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- Run monthly or quarterly
- Easier to find/remember errors

 A screenshot of the same software application window. The "Print Web to Grid Table" option is now selected. Below the options, there are two blue stars highlighting the "Print Web to Grid Table" button. The status bar at the bottom still reads "PEEHIP Import Validation Report Ready to Run".

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## PEEHIP IMPORT

The Retirement Systems of Alabama | Strength. Stability. Security.

- Active Employees Report**  
Download [ Web ] [ PDF ] [ Excel ]
- Monthly Invoice Report from** [ January 2018 ]  
Download [ Web ] [ PDF ] [ Excel ]
- Monthly Coverage Report for** [ February 2018 ]  
Download [ Web ] [ PDF ] [ Excel ]
- Payroll Deduction File from** [ January 2018 ]  
Download [ Text ]
- Employer Invoice Corrections from** [ January 2018 ]  
Download [ Web ] [ PDF ] [ Excel ]
- Employer Invoice Comparison Report** [ January 2018 ]  
Download [ Web ] [ PDF ] [ Excel ]
- Employer W-2 Reporting for Box 12 code DD**  
Download [ Text ]

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## FRINGE BENEFITS

<https://www.irs.gov/pub/irs-pdf/p5137.pdf>

- What are Fringe Benefits?  
A benefit provided on behalf of an employee or employee's family, but does not affect basic wage rate.
- When are they computed?
  - IRS states you can compute them by pay period (monthly), quarterly, semi-annual, or annually.
  - Most systems compute by pay period or annually. Advantage to pay period - employees less likely to notice change. If you compute annually it is most often done on December check - CHRISTMAS MONEY!

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### Two Most Common Types of Fringes

- Life Insurance
- Employer Owned Vehicle

### Other Types

- Uniforms
- Health and Medical Benefits

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## LIFE INSURANCE

- Set up in NextGen by Harris
- State pays \$15,000 for full time active employees. Less than full time active employees receive a prorated amount
- Some Boards provide Board Paid Life Insurance. Will need to know what your system offers and get Harris to help set up the software

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### EMPLOYER OWNED VEHICLE

- If an employee drives an employer owned vehicle to and from work they should be charged a fringe benefit.
- If they drive a personal vehicle to and from work but drive a employer owned vehicle during the day it is not a fringe benefit.
- An occasional trip home is considered a nontaxable de minimize fringe benefit.

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### COMPUTING VEHICLE FRINGE

IRS Publication 5137 states "commuting may be valued at \$1.50 each way".

Contract Days x \$3.00 (to and from) = Fringe Benefit

If more than one employee commutes in the vehicle, the \$1.50 each-way rule applies to each employee.  
*Reg. 1.61-21(f)*

Add to employee Job Leave/Fringe screen before computing fringes.

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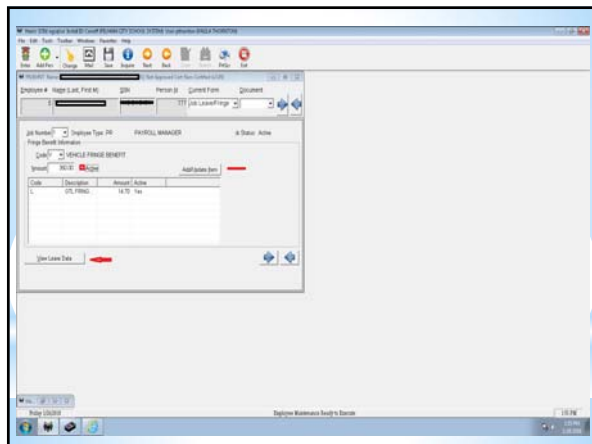
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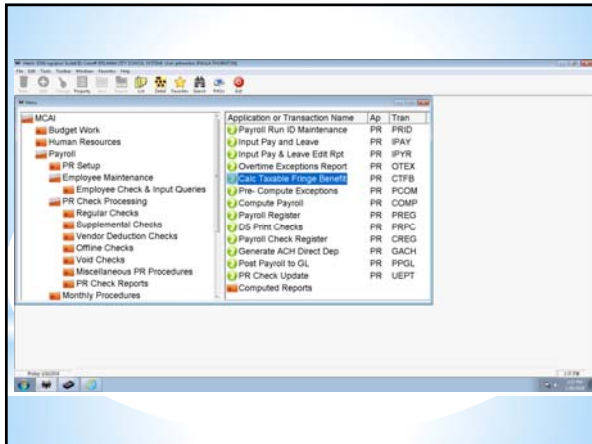
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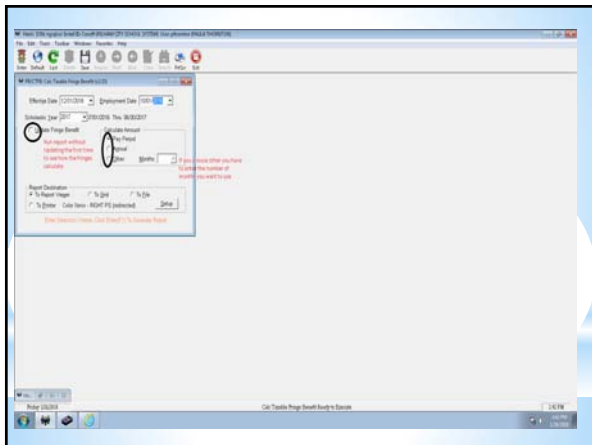
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QUESTIONS?? COMMENTS??

[pthornton@pelhamcityschools.org](mailto:pthornton@pelhamcityschools.org)

205-624-3812

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