



# HR YEAR-END CHECKLIST AND COMPLIANCE REMINDERS

We're already in the fourth quarter of 2023! Now is a great time to check on your employee programs and make sure you've completed all required tasks based on today's regulations. To help facilitate this process, we've compiled the following checklist of common year-end compliance tasks, reminders, and deadlines, plus information to share with (like updated contribution limits) or request from (name and address changes) your employees. We've organized this checklist into three sections: payroll, retirement, and benefits. If you are a BFG client in any of these areas, we will have discussed these items with you and, in some cases as marked on the checklist, we will facilitate them.

# PAYROLL

## Bank & BFG Holidays:

- Monday, December 25, 2023 - CLOSED
  - BFG payroll clients:  
Monday, December 25, is also a bank holiday. Monday pay dates will need to be adjusted to Friday, December 22, or Tuesday, December 26. For Friday payrolls, please submit by **noon on Wednesday, December 20**. For Tuesday payrolls, please submit by **noon on Thursday, December 21**.
- Tuesday, December 26, 2023 - CLOSED
  - BFG payroll clients:  
Tuesday, December 26, is a BFG holiday but not a bank holiday. For Tuesday and Wednesday payrolls, please submit by **noon on Thursday, December 21**.
- Monday, January 1, 2024 - CLOSED
  - BFG payroll clients:  
Monday, January 1, is also a bank holiday. Monday pay dates will need to be adjusted to Friday, December 29, or Tuesday, January 2. For Friday payrolls, please submit by **noon on Wednesday, December 27**. For Tuesday payrolls, please submit by **noon on Thursday, December 28**.

## Final Payroll of 2023:

- Include year-end bonus checks
  - BFG payroll clients:  
Please let us know as soon as possible if you plan to pay year-end bonuses so that we are able to set up a separate pay cycle.
- Ensure all taxable benefits have been recorded  
Examples of taxable benefits include personal use of a company vehicle, S-Corp company-paid benefits, company-paid group term life insurance (GTLI) premiums for benefits over \$50,000, and so on.
  - BFG payroll clients:  
Ensure all taxable benefits have been reported.
- Ensure all manual checks that were written to an employee during the year have been reported

## First Payroll of 2024:

- Update payroll system with new compensation and contribution limits for retirement plans
  - BFG payroll clients:  
Your BFG Payroll Specialist will make these updates.
- Update all State Unemployment Tax Authority (SUTA) tax rates for 2024 to be in place for the first check of 2024
  - BFG payroll clients:  
Forward State Unemployment Tax Authority (SUTA) tax rates.
- Update federal and state tax tables
  - BFG payroll clients:  
Your BFG Payroll Specialist will make these updates.
- As applicable, update your rates and codes based on the new Worker's Compensation policy
  - BFG payroll clients:  
Forward the new Worker's Compensation policy.  
Doing so will allow us to update your rates and codes.

- Adjust Social Security Payroll tax to include the higher taxable wage base (which will be \$168,600 in 2024, up from \$160,200 in 2023)
  - BFG payroll clients:  
Your BFG Payroll Specialist will make these updates.

## Tax Deadlines:

- Payroll Tax Payment Deadlines:
  - December 29, 2023:** Payroll tax deadline if semiweekly deposit rule applies (for checks made December 24–26)
  - January 2, 2024:** Payroll tax deposit deadline over \$100,000 (for checks dated December 29, 2023)
  - January 3, 2023:** Payroll tax deposit deadline under \$100,000 (for checks dated December 29, 2023)
- W-2 and 1099 Forms Deadline: **January 31, 2024**
- Form 2290 Deadline: **January 2, 2024**  
As applicable, use Form 2290 to pay the tax due on highway motor vehicles (55,000+ pounds) used during the period. This deadline is for vehicles first used in November.

## Employee Information:

- BFG payroll clients: Ensure employees have access to the Employee Self Service Portal  
W-2 forms for BFG clients will be available electronically in our Employee Self Service Portal, where employees retrieve their paystubs, so employees will want to make sure they can access this portal. **Important Note: Please let your BFG Payroll Specialist know if you would also like paper W-2 forms mailed to your employees or delivered directly to your office.**
- Verify current home address  
Doing so will help to ensure delivery of mailed W-2 forms.
- Ensure correct name is on file  
Employee paperwork should include the name that is on their Social Security card.  
**Important Note:** If the name that shows on the W-2 does not match the exact name on record with the Social Security Administration (SSA), the SSA will send a no-match letter to the employer for verification. A penalty can be assessed if the employer does not respond to the no-match letters in a timely manner. Discrepancies may occur if an employee had a name change due to marriage, divorce, etc., but has not updated the information with the SSA or if the employee did not provide their full name as recorded on their SS Card to their employer.
- Review employees' withholding elections identified on their W-4  
Now is a good time to make changes to filing status if desired, although employees can change their elections at any time.
- Make note of employees who were out on disability claims during 2023  
Having a disability claim may impact taxes and what needs to be added to the employee's W-2 as wages depending on how premiums were paid (either by the employer or employee).
  - BFG payroll clients:  
Please provide your BFG payroll coordinator with a list of anyone who was out on short term or long term disability and paid disability benefits through an insured plan. We will need a copy of the statement from the carrier showing year-to-date payments and any taxes withheld.

# RETIREMENT PLANS

## Employee Notices:

- BFG clients: We have previously prompted the distribution of these notices and facilitated employee questions.

### Year-end Notices: SIMPLE IRA

- Send Notice for SIMPLE IRAs to eligible employees by **11/1**  
Employers who sponsor a SIMPLE IRA should be aware that the annual deadline to provide notice to eligible employees is November 1. This notice should inform employees of their eligibility and explain the contribution formula and any available options for the designated financial institution.

### Plan Year-end Notices: 401(k)

- Provide Summary Annual Report by the last day of the 9<sup>th</sup> month after the end of the plan year (or by 12/15 if the Form 5500 filing was extended to October)  
Per the IRS, the Summary Annual Report “is a narrative summary of the plan’s financial status and summarizes the information on the plan’s annual report (Form 5500).” If your Form 5500 filing was extended to October, you have until 12/15 to distribute this report to all participants and beneficiaries.
- Provide participants with 401(k) notices. Most of the notices listed below are required to be provided **at least 30 days but not more than 90 days prior to the first day of the plan year:**
  - Safe Harbor 401(k) Plans  
Plan sponsors are required to provide all participants with an annual notice that explains employer contributions and other features of the plan.
  - Automatic Enrollment Features  
Plans using the automatic enrollment feature must provide an annual notice that explains how this feature works within the plan.
  - Qualified Default Investment  
The plan sponsor must give notice if the plan has a “qualified default investment” into which assets will be invested if the participant makes no other elections.
  - Participant Fee Disclosure  
Per the DOL, plan sponsors must give each participant or beneficiary notice of plan-related information (including administrative and individual expense information and statements of actual charges or deductions) and investment-related information (including performance data, benchmark information, and fee and expense information) on an annual basis. You may send this disclosure with other notices identified in this list if its annual distribution is still pending.
- Provide notice of any changes made in the past year  
If you have made any changes to your qualified retirement plan during the plan year, you must inform participants by sending documentation (either a Summary Plan Description or Summary of Material Modifications). Notification for 401(k) plans must be **no later than 30 days prior to the end of the same plan year.**

### Plan Year-end Notices: Defined Benefit

- Provide Funding Notice for Defined Benefit Plans to participants  
Plan sponsors of defined benefit plans are required to provide a notice explaining its assets and liabilities and funding status for the last two years, along with other information. Unlike the other notices mentioned above, this notice is required to be provided to participants within **120 days after the end of the plan year** or as follows:
  - Small Plans (fewer than 100 participants)  
**Provide the notice by the earlier due date of the Form 5500 (including extensions) or the date it is filed.**

## New Plans:

- Establish a Retirement Plan  
If your business doesn’t already have a retirement plan in place, now is a great time to start one. Current rules allow for deductible contributions and tax credits.

## Plan Changes:

- Adopt any proposed Discretionary Amendments to your Retirement Plan  
If you make changes to your qualified retirement plan during the plan year, you must add a discretionary amendment **no later than the end of the same plan year.**

## Retirement Plan Contribution Limits:

- Inform participants in your retirement plan of the latest contribution limits  
New retirement plan annual contribution limits are available to be shared with employees who may want to adjust the amount that they are saving.

Contribution Guidelines	2023	2024
401(k) & 403(b) plans, Pre-tax	\$ 22,500	<b>\$ 23,000</b>
Catch-up for 401(k) & 403(b) plans*	\$ 7,500	<b>\$ 7,500</b>
Annual Defined Contribution Cap	\$ 66,000	<b>\$ 69,000</b>
Annual Compensation Cap	\$330,000	<b>\$345,000</b>
Highly Compensated Cap	\$150,000	<b>\$155,000</b>
SIMPLE IRA Employee Deferral Cap	\$ 15,500	<b>\$ 16,000</b>
Catch-up for SIMPLE IRA*	\$ 3,500	<b>\$ 3,500</b>

\*Must be age 50 or older during the calendar year to be eligible for catch-up contributions.



# HEALTH INSURANCE PLANS

## Employee Notices:

- ☑ BFG clients: We have previously prompted the distribution of these notices and facilitated employee questions.
  
- ☑ Send Creditable Coverage Notice for Medicare to eligible individuals by 10/15  
Employers who sponsor group health plans should be aware that the annual deadline to provide notice of Creditable Coverage to eligible employees is **October 15**. Distribution of this notice has been required since January of 2006, when Medicare beneficiaries first received subsidized prescription drug coverage through the Medicare Part D program. (For more information, please see this [resource](#)). For a sample Creditable Coverage Notice, please see the Centers for Medicare and Medicaid Services (CMS) website: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Model-Notice-Letters.html>.
  
- ☑ Distribute CHIP Model Notices to eligible individuals **annually**  
This notice explains that individuals and their children who are eligible for Medicaid or CHIP and for employer health coverage also may have access to a state premium assistance program that can help pay for coverage using funds from their Medicaid or CHIP programs. This notice must be provided to employees annually.
  
- ☑ Provide Summary of Benefits and Coverage to employees who are eligible to participate in the group medical plan  
Plan sponsors are required to distribute the Summary of Benefits and Coverage (SBC) with initial enrollment and upon renewal, at which time only information specific to the benefit plan selected by the participant needs to be included **at least 30 days prior to the first day of the plan year**. If making any changes to the plan that would affect the SBC, the plan sponsor must notify participants **at least 60 days prior to the effective date of the amendment**; if the changes do not affect the SBC but do result in material reductions, plan sponsors must provide a summary of changes **within 60 days after the reduction**.

## Reporting Requirements:

- ☑ BFG clients: We will facilitate distribution of the Affordable Care Act Forms 1095-B\* and 1095-C\*\*  
Deadlines:
  - ☐ **February 28, 2024:** Provide to IRS (if [mailing](#))
  - ☐ **March 4, 2024:** Provide to employees
  - ☐ **April 1, 2024:** Provide to IRS (if filing electronically)

\*Per the IRS, “**Form 1095-B** is used to report certain information to the IRS and to taxpayers about individuals who are covered by minimum essential coverage and therefore are not liable for the individual shared responsibility payment.” **In most cases, the insurance company handles this reporting.**

\*\*Per the IRS, “**Form 1095-C** is filed and furnished to any employee of an Applicable Large Employers (ALE) [meaning 50 or more full-time equivalent employees] member who is a full-time employee for one or more months of the calendar. ALE members must report that information for all twelve months of the calendar year for each employee.”

## Health Savings Account (HSA) Contribution Limits:

- ☐ Inform participants who are eligible for Health Savings Accounts of the latest contribution limits  
New Health Savings Account (HSA) annual contribution limits are available to be shared with employees who may want to adjust the amount that they are saving.

Contribution Guidelines	2023	2024
Individual Coverage	\$ 3,850	<b>\$ 4,150</b>
Catch-up for Individual Coverage*	\$ 1,000	<b>\$ 1,000</b>
Family Coverage	\$ 7,750	<b>\$ 8,300</b>

\*Must be age 55 or older during the calendar year to be eligible for catch-up contributions.



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