

Spectrum Year End 2021

US Guidelines



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Year End Overview

As year end approaches, preparations must be made for next year's payroll by printing 2021 W-2s (USA) and T4 Slips (Canada) and updating the tax tables. This documentation has been prepared to facilitate the year end process. We recommend that you familiarize yourself with the entire year end process prior to year end.

This guide addresses the following year end topics:

- [New Features](#)
- Setup
 - [Calendar Maintenance](#)
 - [Benefit Setup](#)
 - [ACA Setup](#)
- Processing
 - [Year End Checklist](#)
 - [Confidential Payroll Year End Instructions](#)
 - [Year End Processing screen](#)
 - [Payroll Processing](#)
 - [Non-Payroll Processing](#)
 - [ACA Processing](#)
- Troubleshooting
 - [Preparing for Year End](#)
 - [Closing the Payroll Year](#)
 - [Year End Mistakes](#)
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 - [Printing Questions](#)

- [Electronic Filing Questions](#)
- [Third Party Sick Pay](#)
- [Order Spectrum Forms](#)

The 2021 R3 Release contains [Internal Revenue Service \(IRS\)](#) and [Social Security Administration \(SSA\)](#) mandated changes, therefore it is essential to update to Spectrum 2021 R3 prior to processing your year end. [Click here](#) to learn more about recent changes to Year End Processing.

Registration is required to file wage reports electronically for tax year 2021. You can use one of two options to register for a Personal Identification Number (PIN) and password:

1. Call the Social Security Administration (SSA) toll free at (800) 772-6270.
2. Go to the SSA Internet site at <http://www.ssa.gov/bsowelcome.htm>.

Viewpoint provides an annual service that automatically updates the Tax Tables for Single and Married filing statuses in Spectrum. At the beginning of each year, you will receive electronic tax tables for all 50 states and the Federal government. This service also provides updates throughout the year as modifications are made.

If you have questions, Spectrum Support is open Monday through Friday from 5 a.m. to 5 p.m. Pacific Time to assist you. Call **(800) 352-8939**, email us at spectrumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#).

New Features

The following new features have been added for year end 2021:

USA:

- **New 1099-NEC forms.** The IRS has released new versions of the 1099-NEC Form for the 2021 tax year. The 1099-MISC form remains unchanged.
IMPORTANT! Prior year 1099 forms will not work in 2021, so you must use the new forms.
- **W-2 Build Enhancements.** For ease of use, the following enhancements have been made to the W-2 Build screen:
 - **Other Deductions in Box 14.** When defining Other Deductions, the user will select the type of code instead of using an asterisk or plus sign.
 - **Reporting FFCRA Wages on W-2s.** When reporting COVID wages from the Families First Coronavirus Act (FFCRA) or American Rescue Plan Act (ARPA) on W2's, the IRS requires qualified sick leave wages and qualified family leave wages must be included in Boxes 1, 3 (up to the social security wage base) and 5 on the Build W-2 Forms screen. They also must be reported in Box 14. As it is possible to have three items plus up to three FFCRA items and three ARPA items for an employee, the Build process will create extra forms automatically. Note that the FFCRA covers COVID earnings in the first quarter of 2021. ARPA covers COVID earnings in the second and third quarters of 2021.
 - **County and Local Tax Descriptions in Box 20.** The county or local tax jurisdiction must fit within an eight-character field. Review the Override Descriptions window and modify labels for clarity.
- **Update State Tax ID's.** The Update State Tax ID option on W-2 Maintenance now includes Entities.

- **Year End Update No Longer Purges Employees.** The 'Purge employees at year-end' checkbox has been removed from Employee Main Properties. In earlier versions of Spectrum, the only way to delete an employee was at year-end. Terminated employees marked as 'Purge employee at year-end' would be deleted during the Year-End Update. Today, the recommended method to purge an employee is to use the Delete Employee from Current Company found in **Payroll | Utilities**.

The checkbox will continue to appear only for those employees that were marked 'purge employee at year-end' when the release was loaded. **It is important to note that the employee will not be purged regardless of this setting.**

Once on 2021 R3, if the checkbox is deselected, the option will disappear and no longer be available. Instead of purging employees during the Year-End Update, a report will be provided with these employees listed. Instructions on the report instruct the reader to use the Delete Employee from Current Company utility.

- **Employee Home Email Used for Nelco 1095-C Export.** When building Form 1095-C, the system looks for the employee email address for processing with Nelco. Spectrum will first look to the employee's 'Home email'. If that field is <BLANK>, then it will use the employee's 'Work email'. This now follows the same pattern as found in W-2s.
- **Ability to Reprint Historical W-2s.** Last year we added the ability to save a "backup" copy of the W-2 file. Select the 'History year' checkbox in the Print W-2s screen and enter the year desired. Only data saved using the backup option are available for reprint.
- **Aatrix electronic payroll e-filing.** Available on Trimble Construction One systems only, the Aatrix Report Filing screen has been added to the Reports menu. This screen will generate an Aatrix Universal File (AUF) report that will be uploaded to Aatrix's website for electronic filing. Currently, the US 941 and W-2 forms are available for electronic filing. The Tax Table Maintenance list box, Worker's Compensation Code Maintenance list box, Add-ons / Deduction Maintenance list box have all been enhanced to include columns to identify Aatrix mapping.

Setup

Calendar Maintenance

Processing Dates Maintenance

At Year End, maximum dates in all modules will need to move into the New Year. For Payroll, please use the Payroll Year End Checklist to help you decide when to advance the minimum and maximum dates into the New Year.

1. Go to **System Administration | Installation | Processing Dates**.
2. Make any necessary changes. Anyone else making entries in that company will need to wait until the screen is closed to process date based transactions.
3. Click **Save** or click the check mark in the upper right hand corner to return to the Site Map.

Pay Cycle Calendar Maintenance

Use this function to set the default check date, period end date and period start dates in the Set Payroll Cycle Screen.

1. Select the **Utilize pay cycle calendar?** option at System Administration | Installation | Payroll, Defaults Tab.
2. Navigate to **Payroll | Period End | Pay Cycle Calendar Maintenance**.
3. Click **Build Calendar**.
4. Choose a pay frequency and enter an ending date to use on the next Pay Cycle.
5. To skip a processing date, select the 'Processed' box next to the date to indicate that the date has already been used.

Fiscal Calendar

Fiscal Calendar Maintenance screen displays all fiscal years presently set up in the current company. This screen is also used to set and maintain Journal Entry sequence numbers and ending

dates for each fiscal period. Entries made here control certain defaults and virtually every transaction updated to the General Ledger.

Normally, no changes are required in this screen. If changes are made, the dates on any historical transactions will not be changed.

1. Go to **General Ledger | Period End | Fiscal Calendar Maintenance**.
2. Click the **New Year** button. The **Add New Fiscal Year** window displays.
3. Press **Enter** until all periods display.
4. Click **OK**.

Note: Use the Add New Fiscal Year window to add years to your fiscal calendar. After entering the number of periods, press Enter. The dates and period labels for the next future year default, but you are able to edit the period labels. Next, the Auto-Create Additional Fiscal Years window displays, allowing you to automatically create up to nine additional years based on the established settings.

5. Display the new Fiscal Calendar. Review the new dates to verify the update.
6. Click the check mark to save and exit the calendar.
7. Go to **Installation | Processing Dates** and click **Edit** to make any necessary changes.

Year Round Benefit Setup for Year-End Reporting

There are a growing number of benefits that are given to employees throughout the year that need to be included in year-end reporting in state, local and federal jurisdictions. This section looks at common ways that Spectrum is configured to help you track, maintain, and report those benefits.

Please contact your accountant for information regarding your company's specific reporting responsibility.

The example benefits we will use to illustrate benefit accrual methods are: personal use of company vehicles, life insurance in excess of \$50K, and employee health care benefits.

There are three methods to reporting these benefits at year end:

- (Recommended) Use Add-on and Deduction codes to record the benefit paid to the employee. The add-on code expenses the employer payment of the benefit and accrues its liability (if the benefit is taxable, the add-on would be set for taxability). The deduction code reduces the pay of the employee for their allotted portion of the benefit (if the employee portion is deducted pre-tax, the deduction code is set accordingly).
- Use a Payroll Installation Screen pay type. Set up a pay type in System Administration | Installation | Payroll, a department expense code specifically for the benefit, and a deduction code for the benefit.
- Manually adjust employee W-2's to reflect benefits, as well as manually modifying other tax reports and GL accounts. We recommend this only as a last resort, as it will understate income paid out to the employee over the year, and your year end reports will not tie to the W-2.

Reporting Employee Health Care Benefits on Form W-2

Starting in 2015, employers must display the cost of health care paid by the employer and the employee on the W-2 form in Box 12, using code 'DD'.

Add-on and Deduction code setup to record Non-Cash Benefits

Step 1. Create Code to Track Employer Portion of Health Care

Create an add-on to record the cost of employer-paid health care benefits.

Properties Tab

- Set the 'Type' to Add-on.
- Calculation method depends on the benefit. Is it a fixed amount or a rate per hour?
- Enter the benefit expense G/L account code. This is the debit side of the transaction. In our example, we would set this as an indirect GL account code.
- Select the 'Clear employee balance at year end' check box.

New Deduction/Add-on Code

Deduction/add-on code Health Care EE

Properties | **Tax Effects** | Add-ons | Limits

Description

Type

Calculation method

Default rate

Related code

Formula code

Frequency

Week numbers

G/L account code Administrative Emp Benefits

Eligible for "true up" calculation?

Clear employee balance at year end?

Include pay & hours from

Davis-Bacon jobs?

Prevailing wage jobs?

Other jobs & non-jobs?

Calculation method may change based on your facts and circumstances.

Enter the benefit expense G/L account code on Properties (aka the 'Debit').

Tax Effects Tab

Employees are not taxed on health care benefits, so nothing would be entered on the tax effects tab.

Note: Other benefits may result in increasing the employee tax obligation, and in those cases, the taxability would be set on this screen.

Add-ons Tab

- Set the direct cost flag to non-direct cost. (optional)
- Clear the 'Paid to employee on paycheck' check box, since this is a non-cash benefit.
- Clear the 'Print on paycheck' check box. (optional)
- Enter the benefit liability account code in the 'Non-cash G/L account' field. This is the credit side of the transaction.

New Deduction/Add-on Code

Deduction/add-on code: HC Health Care EE

Properties Tax Effects Add-ons Limits A/P Invoice

Direct cost

Non-direct cost

Job cost

Equipment cost

Work order cost

Payment options

Paid to employee on the paycheck?

Print on paycheck?

Non-cash G/L account: 01-35 Prepaid Insurance

Is this for 'payout' from accrued benefit balance?

Related accrual add-on

OK Cancel

Enter the benefit liability G/L account code here. (aka the "Credit").

Version 13 Users: There are extra fields shown that you do not have. It is OK to ignore them for this exercise.

Step 2. Create Code to Track Employee Portion of Health Care

Create a deduction code to deduct the cost of the employee's portion of health care.

Properties Tab

- Set the 'Type' to Deduction.
- Calculation method depends on the benefit. Is it a fixed amount or a rate per hour?
- Enter the employee liability G/L account code on the Properties tab. This is the debit side of the transaction.
- Select the 'Clear employee balance at year end' check box.

Tax Effects Tab

Since employee health contributions are usually collected pre-tax, the income tax and FICA boxes would be selected for the US tax jurisdiction. (Note: please check with your tax advisor regarding settings for your specific situation.)

Step 3. Enter Codes on Employee Recurring Deduction/Add-on Maintenance.

The last step is to set up the add-on and deduction codes on the employee in Recurring Deduction/Add-on Maintenance (Payroll | Maintenance | Recurring Deduction/Add-on). In this manner, these amounts will accrue automatically during the pay cycle.

Power User Tip:

If the add-on code was not set up at the beginning of the year, use the Adjust Non-Cash Add-on Balances screen to bring the YTD amounts up to date.

When you perform the Build W-2's process, enter both add-on and deduction codes into Box 12, code 'DD'. The system will automatically sum these amounts together.

Personal Use of Company Vehicles

If your company provides personal use of company-owned vehicles as an employee benefit, it may be necessary to include an amount in the employee's 2020 year-to-date earnings to reflect taxable income for personal use of company vehicles.

Life Insurance in Excess of \$50,000

If your company provides life insurance as an employee benefit, it may be necessary to include an amount in the employee's 2020 year-to-date earnings to reflect taxable income for life insurance in excess of \$50,000. This amount must also be included in box 12 of the W-2, code C.

The IRS publishes a table detailing the amount of earnings to be applied.

Payroll Installation Screen pay type

1. Navigate to **Payroll | Maintenance | Deduction/Add-on Code**, and click **New** to add a new Add-on Code.
2. In the **Properties** tab, enter a fixed amount Calculation method, a non-direct expense GL account and check the box to "Clear employee balance at year end."
3. In the **Tax Effects** tab, enter all the tax codes for US, state, county and local.
4. In the **Add-ons** tab, un-check the box to "Pay the employee on the paycheck", check the box to "Print on paycheck" and enter the same GL account in the "Non-cash GL account" field as you did in the Properties tab.

Please note that these lines should be added to the last regular paycheck.

Adjusting W-2 Forms Prior to Printing

If you have already processed a payroll for 2021, it is too late to add additional earnings to the 2020 payroll reports. However, you can make adjustments to the W-2 forms prior to printing.

The following process will not adjust employee earnings, nor update the quarterly or yearly payroll reports. It only adjusts the W-2 forms being produced.

The life insurance may be recorded directly into the employee's W-2 record. Use the W-2 Form Maintenance screen to adjust the employee's W-2 wage and tax statement. Consult with your accountant for specific instructions on which figures to adjust:

- Wages tips and other compensation (box 1)
- Federal income tax withheld (box 2)
- Social Security wages (box 3)
- Social Security tax withheld (box 4)
- Medicare wages (box 5)
- Medicare tax withheld (box 6)
- State/local information (boxes 15-20)

Entry in this screen will then be reflected on the W-2 paper and electronic filing reports. This procedure will not result in any changes to the Payroll period end reports, nor will it change recognition of expense in the General Ledger for employer FICA. Be sure to manually adjust your Quarterly Federal Tax Report and other fourth-quarter tax filings if necessary.

Please contact your accountant for information regarding your company's specific reporting responsibility.

Affordable Care Act Setup

The Affordable Care Act (ACA) has been requiring employers to file the 1095-C since 2014. This document will contain an overview of preparing the 1095-C, and how you can use Spectrum to prepare for and fulfill this federal reporting requirement. For more information on the ACA, please see: <https://www.irs.gov/affordable-care-act>

DISCLAIMER

The following information is our current understanding of the Affordable Care Act's reporting requirements and how they can be processed within Spectrum. It is not intended to be offered as legal advice. Please consult with your company's CPA or legal counsel to ensure your organization's compliance with the Affordable Care Act.

Getting Ready for the Affordable Care Act

One of the requirements of the Affordable Care Act is that large employers file a Form 1095-C. Viewpoint recommends gathering this information throughout the course of the year, rather than waiting until the Form 1095-C due date.

Key data and information required to fill out the 1095-C

- Employee Social Security Number (SSN), Date of Birth (DOB), name and address. If the employer is self-insured for medical insurance, they also need to provide spouse and dependent SSN and DOB.
- Plan start date.
- Names, addresses and employer ID numbers of all employing companies.
- Total number of employees (full-time equivalents) for each calendar month. Employers will use this figure to determine if they meet the size threshold of certain reporting requirements. Please see <https://www.irs.gov/affordable-care-act/employers/determining-if-an-employer-is-an-applicable-large-employer> for more information.
- Employer coverage offered and employee acceptance (or refusal) of coverage.
- Employee rate of pay, W-2 wages, federal poverty line.

Part II of the 1095-C report requires subject employers (ALEs) to analyze the coverage they have offered with regard to each of their employee's income, and report whether or not the coverage qualifies as the minimum required coverage. The employer then also determines if they are subject to paying an assessment to the IRS and whether the employee is eligible for a tax credit. Please see <https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act> for more information.

The 1095-B and 1094-B

For those employers who will have fewer than 50 full-time (and full-time equivalent) employees and who are self-insured, please note that you will be required to file Forms 1095-B and 1094-B. These two forms are not provided in Spectrum.

For assistance on these forms, please contact your outside CPA.

Gathering 1095-C information through the year

The 1095-C Employee Worksheet in Spectrum is available to capture employee coverage information throughout the year. It can be exported at any time, and provides a location to manually record and store coverage information. When exported, the Employee Worksheet contains the names of employees who have hours recorded in payroll in the year specified. For self-insured employers, it can also contain those employees' dependent names, DOBs and SSNs.

See the **ACA Processing** topic for specific details.

Preparing with Nelco for 1095-C filing

For the 2021 1095-C filing, Viewpoint will provide e-filing through Nelco. Any follow-up 1095-C corrections will be handled by Nelco for a fee, and printing and mailing of physical forms are available through Nelco also for a fee.

In preparation, please contact Nelco at 1-800-266-4669 to obtain your prepaid filing code for 1095-C filing. You will need to provide the total number of employee records you are processing, and your Spectrum customer ID. If you do not know your customer ID, call Spectrum Support at 1-800-352-8939, email spectrumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#).

Overview of 1095-C Form

The following explains how Spectrum can be used by the Payroll Administrator to perform their analysis when completing Form 1095-C.

1095-C

Form
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.

VOID
 CORRECTED

Part I Employee		Applicable Large Employer Member (Employer)										
1 Name of employee Jay Buhner		2 Social security number (SSN) 123-45-3333		7 Name of employer ABC Inc						8 Employer		
3 Street address (including apartment no.) 600 Safeco Way 1234567890 1234567890123456789012345				9 Street address (including room or suite no.) 9700 Lake City Way NE Suite 2						10 Contact		
4 City or town Seattle 12345678901234567		5 State or province WA		6 Country and ZIP or foreign postal code 98141		11 City or town Seattle		12 State or province WA		13 Country		
Part II Employee Offer of Coverage		Employee's Age on January 1						Plan Start Month (Enter 2-digit number)				
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	
14 Offer of Coverage (enter required code)	1A											
15 Employee Required Contribution (see instructions)	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)	2C											
17 ZIP Code												

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60705M

Part I. Employee and Employer Information

All of the information for filling in Part I of the 1095-C is available within Spectrum. It is also used to populate employee W-2s.

Common issues with this data are: fewer than nine digits in the SSN field, and empty Last Name fields. Two locations that can assist with SSN validation: Unemployment Tax report (**Payroll | Reports | Unemployment Tax**) "Show entire social security number?" and the W-2 Processing screen (**Payroll | Period End | W-2 Processing**). We advise employers to validate employee information prior to finalizing W-2's and 1095-C's.

Part II. Employee Offer and Coverage

Part II requires some analysis of the coverage offered and the employee's acceptance of it. Viewpoint recommends contacting your Benefits Administrator or outside CPA for guidance on filling out these fields.

- **Employee's Age on January 1st:** Enter the employee's age on January 1st.
- **Plan Start Month:** Enter the two-digit plan start month.

Review instructions for forms 1094-C and 1095-C here for more information:

<https://www.irs.gov/pub/irs-pdf/i109495c.pdf>

These links on the IRS website have helpful explanations of the shared responsibility requirements and reporting requirements:

<https://www.irs.gov/affordable-care-act/employers/employer-shared-responsibility-provisions>

And FAQ:

<https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act>

The following steps walk through lines 14-16:

Line 14: Offer of Coverage

The Employer will classify each employee's offer of insurance for the calendar year. When the offer does not cover all 12 months, they will record the classification for each calendar month. Using the import worksheet, the code can be entered for the entire calendar year or by month if there is variation during the year.

Step 1. Determine Full or Part Time

By employee, determination must be made whether the employee is full-time or part-time.

- Use Payroll's **Average Hours Report** to perform either the monthly measurement or look back method to make the classification.
- The classification can be stored in the 'Health coverage' field on the **Employee Main Properties** page.

Step 2. Determine if Health Care was Offered and Available Each Month

When the offering of health care was not tracked throughout the year, it will have to be recreated for 2021. Review reports in the system and other supplemental documentation to identify evidence that the employee was insured for the time frame.

- Use **Vendor Payment History** along with Document Imaging to review supporting documentation for the health care invoices.
- Use the **Add-on History** and **Deduction History Reports** to review codes that represent health insurance. (Both reports are located at: Payroll | Reports.)
- Use the **Union Report** to review fringes that represent health insurance.

Use this information to determine whether or not the employee was offered and accepted health care during the time frame.

Step 3. Determine if Health Care Plan is Appropriate

The Act refers to appropriate health care as “Minimum Essential Coverage (MEC).” As Spectrum cannot evaluate if the plan is appropriate, it is recommended that you contact your Benefits Administrator or outside CPA for guidance.

Step 4. Fill in Line 14

Using the facts and circumstances discovered above, fill in line 14 with one of the following codes:

- 1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% of the mainland single federal poverty line, and at least minimum essential coverage offered to spouse and dependent(s).
- 1B.** Minimum essential coverage providing minimum value offered to employee only.
- 1C.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to dependent(s) (not spouse).
- 1D.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to spouse (not dependent(s)).

- 1E.** Minimum essential coverage providing minimum value offered to employee, and at least minimum essential coverage offered to dependent(s) and spouse.
- 1F.** Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
- 1G.** Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year.
- 1H.** No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).
- 1J.** Qualifying offer - employee & conditionally spouse.
- 1K.** Qualifying offer - employee + dependents & conditionally spouse.
- 1L.** Qualifying offer w/ HRA - employee, employee residence zip.
- 1M.** Qualifying offer w/ HRA - employee + dependents, employee residence zip.
- 1N.** Qualifying offer w/ HRA - employee + spouse + dependents, employee residence zip.
- 1O.** Qualifying offer w/ HRA - employee, employee work zip.
- 1P.** Qualifying offer w/ HRA - employee + dependents, employee work zip.
- 1Q.** Qualifying offer w/ HRA - employee + spouse + dependents, employee work zip.
- 1R.** HRA not affordable - employee + spouse + dependents.
- 1S.** HRA offered to part time employee.
- 1T.** HRA offered to employee + spouse, employee residence zip.
- 1U.** HRA offered to employee + spouse, employee work zip.

Line 15: Employee Required Contribution

Line 15 is only required when Line 14 is **1B, 1C, 1D, 1E, 1J, 1K, 1L, 1M, 1O, 1P, 1Q, 1T or 1U.**

The employee share is the portion of the monthly cost that would be paid by the employee for self-only coverage, whether paid through salary reduction or otherwise. The Employee Required Contribution may not be the amount the employee paid for coverage. See your Benefits Administrator or outside CPA for guidance.

Using the import worksheet, the code can be entered for the entire calendar year or by month if there is variation during the year.

Line 16: Applicable Section 4980H Safe Harbor

The employer fills in Line 16, only if there is an applicable code describing the employer and/or employee's situation.

By employee, the employer will use the following information in an analysis to determine which code to enter:

- **W-2 Box 1 wages:** Use to determine if eligible for W-2 safe harbor or federal poverty line safe harbor.
- **Hourly wage:** Use to determine if eligible for rate of pay safe harbor or federal poverty line safe harbor.
- **Employee Hire, Rehire and Termination Dates:** Use to determine whether or not employee was employed for an entire month or a month at all.
- **Hours worked by month (based on calendar year):** Run the Average Hours Report once each month, or once for each week of the year. Useful to determine whether or not employee was employed during the month.
- **Add-on History Report:** Use to review whether health insurance was paid for the employee.

Based on the facts and circumstances from the above, line 16 is answered with one of the following codes. Using the Import Worksheet, the code can be entered for the entire calendar year or by month if there is variation during the year.

2A. Employee not employed during the month.

2B. Employee not a full-time employee and did not enroll in minimum essential coverage.

- Employee is full-time for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month.
- Use this code for January 2021 if the employee was offered health coverage no later than the first day of the first payroll period that begins in January 2021 and the coverage offered was affordable for purposes of the employer-shared responsibility provisions under section 4980H and provided minimum value.

2C. Employee enrolled in coverage offered.

2D. Employee in a Limited Non-Assessment Period. When employee is in an initial measurement period, use 2D and not 2B. Do not use 2D when employee is eligible for multiemployer plan.

2E. Employee enrolled in a multiemployer plan.

2F. Employer used Form W-2 safe harbor.

2G. Employer used federal poverty line safe harbor.

2H. Employer used rate of pay safe harbor.

Part III. Covered Individuals

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.

	(a) Name of covered individual(s) First name, middle initial, last name			(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
							Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov		
18	Josephine	R	Buhner	462-34-9843	01-06-2008	<input checked="" type="checkbox"/>	<input type="checkbox"/>												
19	Kirby	F	Buhner	451-67-2745	12-19-2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>												
20						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30						<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Only employers providing self-insured health coverage need to fill out Part III.

The names of all covered individuals (including the employee), and their Social Security Number or Date of Birth, are required. In Spectrum, individuals who will be included in Part III reporting will be included in the Export Worksheet if their information is entered at **Human**

Resources | Employees | Insurance Coverage.

1. Navigate to **Human Resources | Maintenance | Insurance Type.**
2. Create a new insurance type for the self-insured coverage, if one has not already been set up.

3. Navigate to **Human Resources | Maintenance | Insurance Codes**.
4. Create a new insurance code for the self-insured coverage, if one has not already been set up.
5. Navigate to **Human Resources | Employees | Dependents**.
6. Enter the **Employee code** of the covered employee.
7. Click **New**.
8. Enter the type of dependent and the name, gender, and DOB or SSN of each employee dependent. Include the employee in this list in order for them and their identifying information to show up in the 1095-C Employee Worksheet export.
9. Navigate to **Human Resources | Employees | Insurance Coverage**. The names on this screen will be exported in the 1095-C Employee Worksheet export.
10. Enter the **Employee code** of the covered employee.
11. From the drop down, select each of the **Dependents** entered on the Dependents screen.
12. Enter the **Insurance code** from the drop-down.
13. Enter a **Status** from the drop-down.
14. Click **OK** to finish the entry.

Then run the **Add-on History** and **Deduction History Reports** including only medical insurance codes, to review the periods during which employees and their dependents were covered. Both reports are located at: **Payroll | Reports**.

Processing

Year End Checklist

The Year End Checklist section provides step-by-step checklists for processing your year end information. This section also includes supplementary instructions for processing Confidential Payroll at year end.

Payroll Year End Checklist

After completing the final payroll cycle for 2021, it is necessary to close payroll records and prepare for 2022.

IMPORTANT: If you have Confidential Payroll, please read through the [Confidential Payroll Year End Instructions](#) before following this checklist. There are additional or alternate steps you will take if you have a Confidential Payroll company.

This is an overview of the year end process:

1. Order 2021 Forms.
2. Complete the final 2021 pay cycle.
3. Print the period end payroll reports.
4. Perform the **Build W-2 Forms** .
5. Adjust tax tables for 2022 rates.
6. Change processing dates to 2022.
7. Perform the **Year End Update**.
8. Commence Regular 2022 Pay Cycles.
9. Complete W-2 processing .

For more information about what you can do to prepare for year end before your final payroll cycle, look at the Setup section of the Year End Help File.

Step 1. Order 2021 Forms

- W-2, W-3, and 1099-Misc Forms are available online at <https://store.viewpointforms.com/Store#Category:29833:Spectrum> or via phone at **(800) 825-8649**.
- Viewpoint Forms are all guaranteed to work with Spectrum.
- Now is a good time to review your check stock and order more if you are getting low!

Step 2. Complete the final 2021 Pay Cycle

- For all checks dated 12/31/2021 or prior.

NOTE: If the period end date is in 2021 and the check date is in 2022, it is a 2022 pay cycle check.

- Once the Year End Update is performed and a 2022 payroll cycle has been updated, payroll checks cannot be run for 2021 again, otherwise the New Year's YTD totals will be incorrect.

Step 3. Print the Period End Payroll Reports

1. From the Site Map, navigate to **Payroll | Reports**.

NOTE: If in a Confidential Payroll company, navigate to Confidential Payroll module to run payroll reports. Refer to the Confidential Payroll Year End Instructions for more detail.

2. Print quarterly tax reports that are appropriate for you:

- **Payroll Register**
- **Unemployment Tax Report**
- **Quarterly Federal Tax Report**
- **State Disability Insurance Report**
- **Subject to Tax Report**
- **Workers' Compensation Report (Rate per \$100)**
- **Workers' Compensation Report (Rate per Hour)**
- **Workers' Compensation Job Expense Report**
- **Employee Earnings History Report**

Step 4. Perform the Build W-2 Forms

1. From the Site Map, navigate to **Payroll | Period End | W-2 Processing** , then click the **Build** button.

(NOTE: If in a Confidential Payroll company, navigate to Confidential Payroll | W-2 Processing module to build W-2 forms, then click the Build button. Refer to the Confidential Payroll Year End Instructions for more detail.)

2. Perform the **Build W-2 Forms** . See the Payroll Processing topic for more details.

Step 5. Update Tax Tables to 2022 Rates

There are two methods for updating the income tax graduated tables in Spectrum: they can be updated manually, or you can use the tax table import download from the Viewpoint Customer Portal.

The tax table import only updates income tax graduated and percentage income tax tables for U.S., Canada, state and province tax codes. It also updates standard deductions and exemptions as applicable.

IRS Notice 1036 contains the US Federal taxation rates. We recommend reviewing this publication when setting your US tax rates.

Tax Table Subscription Update – for Income Tax Graduated Tables only

This process updates income tax tables across all Spectrum companies.

NOTE: If you run payroll in multiple companies, before entering updates in US tax tables, complete Steps 1-4 of the Year End Checklist in all payroll companies.

Viewpoint provides an electronic tax table update, which users load into Spectrum. It covers federal income tax tables and all 50 states graduated and percentage income tax tables. It also updates standard deductions and exemptions as applicable. It does not cover other tax rates, such as FICA, Unemployment, SDI or Worker's Comp. Please adjust and confirm those tax rates and limits manually (see the section below on updating US Tax Tables manually).

1. Log in to [Viewpoint Customer Portal](#).
2. Click **Products** and select **Spectrum**.
3. Click **Spectrum 2022 Tax Tables** in the **Downloads** section.

4. Click the **Downloads 2022 Tax Tables** folder.
5. Select the PRTAXTABLE-2022-XX.PRO file.
6. Click the **Download** button, and save the .pro file to your workstation. For more detailed instructions on installing the tax table subscription, view the **Tax Table Loading Instructions** document available in the Spectrum customer portal.)
7. In Spectrum, go to **System Administration | Year End | Tax Table Import**.
8. Click **Preview**.
9. Verify that all payroll cycles are completed in ALL companies, and print the Tax Table Listing report before proceeding with the import.
10. Upload the file saved in step 5. When the update is completed, the screen will return to the Site Map.

To update the US Tax Table manually, perform the following steps:

1. On the Site Map, click **Payroll | Maintenance | Tax Tables**.
2. In the **Tax Table Maintenance** screen, type "US" in the search field and click **Go**.
3. On the **Income Tax** tab, select a filing status.
4. Click **Edit** to make changes to the graduated tables, as required for that filing status.
 - On the **Std Deduction** and **Tax Credit** tabs, taxes should remain at None. The **Exemption** tab should be set for US Withholding values. It is the amount of withholding before calculation. The **Exemption, Std Deduction** and **Tax Credit** tabs are set for each filing status separately.
5. The **Other Taxes** tab has FUTA and FICA rates.
6. When you are done making changes, print the **Tax Table Listing** and compare it to the numbers on the IRS site.

State Tax Tables, manual update:

NOTE to Multi-Company Users: If you perform Payroll in more than one Spectrum company, don't forget to do these steps in each company.

1. On the Site Map, click **Payroll | Maintenance | Tax Tables**.
2. In the **Tax Table Maintenance** screen, type the state tax table code in the search field and click **Go**.
3. On the **Income Tax** tab, select a filing status.
4. Click **Edit** to make changes to the graduated tables and other income tax settings, as required for that filing status. Please consult with individual state revenue departments and/or your tax advisor to set up withholding for state income taxes.
5. The **Other Taxes** tab has SUTA and SDI rates.
6. When you are done making changes, print the **Tax Table Listing** and compare it to the numbers in state department of revenue documentation.

Worker's Compensation Rate Changes

Worker's compensation rates may have changed as well. Be sure to make changes, when new rates are available.

1. On the Site Map, go to **Payroll | Maintenance | Worker's Compensation**.

Step 6. Update Tax Table Types

If you are using Aatrix for eFiling services, you'll need to periodically update tax types using the import file provided by Aatrix.

1. Download the Aatrix import file from the [Viewpoint Customer Portal](#) to your workstation.
2. In Spectrum, go to **System Administration | Year End | Import Aatrix Tax Types**.
3. Click **Continue**.
4. Upload the file saved in step 1. When the update is completed, the screen will return to the Site Map.

Step 7. Change Payroll and General Ledger Processing Dates to 2022.

1. On the Site Map, go to **System Administration | Installation | Processing Dates**.

NOTE: If the first payroll dated in 2022 will have a December 2021 period end date, set the minimum date to the period end date.

Step 8. Perform the Year End Update Procedure

The Payroll Year End Update clears the prior year YTD earnings figures, clearing the decks for a New Year payroll cycle. Once the Year End Update is performed, and a payroll cycle in the New Year is updated, it is not advisable to attempt to process a prior year's payroll check. Special procedures would have to be taken to do so (i.e., voiding all the payroll checks in the New Year) and is not recommended. Please confirm that all payroll checks dated for the prior year have been completed.

1. Go to **Payroll | Period End | Year End Update**.
2. In the **Set new payroll year to** field, enter '2022'.
3. Click **Preview** to review a list of Employees that will be purged.
4. Click **Continue** on the Year End Update / Employee Purge screen to finish the procedure.

For non-standard calendar years that require an additional pay period, the system will calculate using the appropriate weekly and biweekly payrolls that occur in a non-standard calendar year by selecting the **Extra pay period this year** check box on the [Tax Table Maintenance](#) or [Year End Update](#) screens.

Step 9. Commence Regular 2022 Pay Cycles

NOTE: Make sure check dates are in the New Year, regardless of the work date.

Step 10. Complete W-2 processing

NOTE: If in a Confidential Payroll company, navigate to Confidential Payroll | W-2 Processing module to build W-2 forms, then click the Build button. Refer to the Confidential Payroll Year End Instructions for more detail.

1. Go to **Payroll | Period End | W-2 Processing**.
2. Print the W-2 Listing and review. Make changes and reprint the list if necessary. See the Payroll Processing topic for more detailed information on W-2 processing.
3. All employees who have generated a W-2 are listed in the W-2 Form Maintenance screen. To browse for the desired employee, page down to scroll through the file. (The

employee search window will only provide a list of employees found in the current company.)

4. Confirm that the W-2 format is correct.
5. Print the W-2's on plain paper to see how they will look. Be sure the W-2's print at the desired printer and that the format matches your W-2 forms.
6. Load the W-2's into the printer and print. Employee W-2's are due by January 31, 2022.
7. Prepare the W-3 Form if you are filing paper W-2 forms.

Confidential Payroll Year End Instructions

This section is ONLY for clients with the Confidential Payroll module installed on their systems. It should be used as a supplement to the **Payroll Year End Checklist**. With Spectrum Confidential Payroll, all payroll records for selected employees are stored in a separate "confidential company" to maintain security.

Multiple Company Reporting and W-2's

In the Confidential Payroll module, the option is available to print reports and generate W-2's on employees from multiple companies, including the Confidential Company. Reports run through the Payroll module within the confidential company contain information only on employees who are entered in the Confidential Payroll company.

To access the multi-company reports option, from the site map, go to **Confidential Payroll | Report Companies**. Enter the companies that you would like to report out consolidated information. The multi-company reporting will impact the following functions:

- **Confidential Payroll | W-2 Processing** (users will be given the option to build W-2's for confidential employees only or for all companies entered in the **Report Companies** function)
- **Confidential Payroll | All Reports**
- **Confidential Payroll | Build Electronic Data File**

The following quarterly tax reports are available at Confidential Payroll:

- Payroll Register
- Unemployment Tax Report
- Quarterly Federal Tax Report
- State Disability Insurance Report
- Subject to Tax Report
- Workers' Compensation Report (Rate per \$100)
- Workers' Compensation Report (Rate per Hour)
- Workers' Compensation Job Expense Report
- Employee Earnings History Report

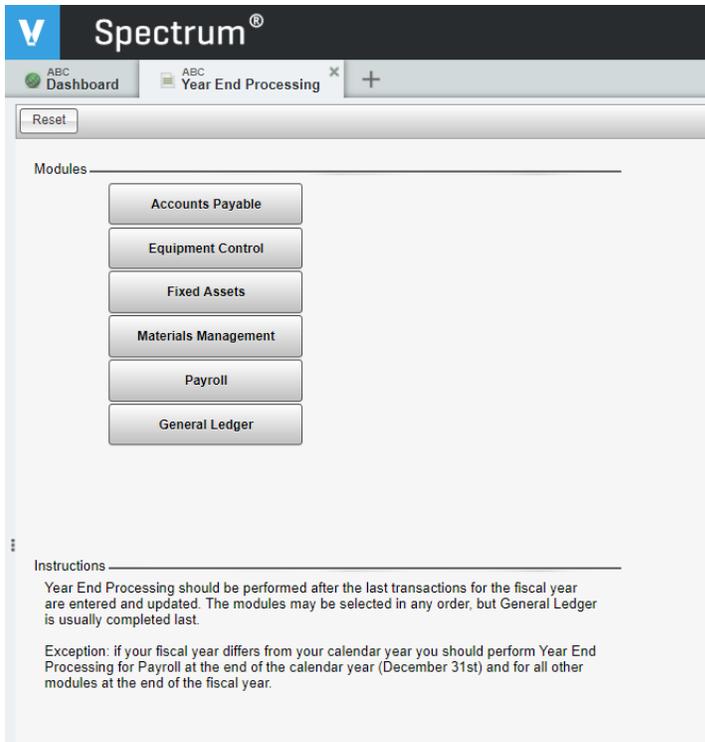
Year End Processing Screen

The Year End Processing screen links module-by-module to the screens needed when processing year end. These screens are also available from within each module (for example, Payroll | Period End | W-2 Processing leads to the same screen as System Administration | Year End | Year End Processing | Payroll). The Year End Processing screen is provided for convenience when completing your Year End to-do list.

To access the Year End Processing screen, go to **System Administration | Year End | Year End Processing**.

Only the modules licensed and installed on your system will appear on this screen. After clicking into a module on this screen, a green check mark will appear next to the module button, to show what modules you have completed.

For detailed information on processing Year End for each of the Modules, please see the **Payroll Processing** and **Non-Payroll Processing** topics



Accounts Payable

- [Build 1099-MISC/NEC Forms](#)
- [1099-MISC/NEC Maintenance](#)
- [Print 1099-MISC/NEC Forms](#)
- [Export 1099-MISC/NEC File](#)

Equipment Control

- [Open Forward Balance](#)

Fixed Assets

- [History Consolidation](#)

Materials Management

- [Open Forward Balance](#)

Payroll

- Year End Reports
 - [Quarterly Federal Tax](#)
 - [Unemployment Tax](#)
 - [State, County & Local Tax](#)
 - [State Disability Insurance](#)
 - [Worker's Comp Rate/\\$100](#)
 - [Worker's Comp Rate/Hour](#)
 - [State History](#)
 - [Earnings History](#)
- [Build W-2 Forms](#)
- [W-2 Processing](#)
- [Income Tax Tables](#)
- [Year End Update](#)
- [Print W-2 Forms](#)
- [Print W-3 Forms](#)
- [Export W-2 File](#)

General Ledger

- [Open Forward Balance](#)
- [Fiscal Calendar](#)

Payroll Processing

This chapter walks through the different Spectrum functions you will use for Year End processing of payroll. These functions are available through **System Administration | Year End | Year End Processing | Payroll**, or through the Payroll module. In addition to this document, the help files on individual screens will have detailed instructions that may include additional information on field-level allowed values.

- [Year End Reports](#)
- [W-2 Processing \(W-2 Form Maintenance\)](#)
- [Build W-2 Forms](#)
- [Print W-2 Forms](#)
- [Print W-3 Forms](#)
- [Export W-2 File](#)
 - [Nelco Processing](#)
- [Income Tax Tables](#)
- [Year End Update](#)

Payroll Reports

We recommend running and saving/archiving the following reports. They are available through **Payroll | Reports**, or **System Administration | Year End | Year End Processing | Payroll**.

- Quarterly Federal Tax
- Unemployment Tax
- State, County & Local Tax – also called Subject-to-Tax
- State Disability Insurance
- Worker's Comp Rate/\$100
- Worker's Comp Rate/Hour
- State History – also called Wage and Tax History
- Earnings History – also called Employee Earnings History

The following report, only available at **Payroll | Reports**, should also be reviewed as part of your year end payroll balancing

- Liabilities Reconciliation

W-2 Form Maintenance

The W-2 Form Maintenance screen is used to add or edit information produced by the Build W-2 Forms function. It is also the landing page for all W-2 and W-3 processing functions: Build, Print, Listing and Export.

- Numeric fields should be entered in dollars and cents (up to \$99 million), but numbers cannot be negative.
- Do not enter dollar signs (\$) or commas. Use a decimal point even if the amount is an even dollar amount.
- For a complete list of field descriptions, please refer to the Spectrum Help.

Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

Build W-2 Forms

Use this screen to update W-2 information. Up to 360 forms per employee are supported. The Build W-2 Forms screen clears the W-2 file and calculates W-2 information based on the payroll earnings history file.

If the **Write 1 state & locality per W-2?** check box is clear, there will be up to two localities on each form. Only Form 1 for each employee will contain federal information regardless of whether this box is checked. If you are processing W-2 forms through Nelco, and you have multi-state filings to make, please leave this check box clear.

New for 2021: When reporting COVID wages for FFCRA or ARPA on W2's, the IRS requires qualified sick leave wages and qualified family leave wages must be included in Boxes 1, 3 (up to the social security wage base) and 5 on the [Build W-2 Forms](#) screen. They also must be reported in Box 14. As it is possible to have three items plus up to three FFCRA items and up to three ARPA items for an employee, the Build process will create extra forms automatically.

Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

Separate W-2s by Entity

If entity tracking is enabled for the current company in the Enterprise Installation screen, the W-2 build will break employee earnings onto separate W-2 Forms based on 'Entity code' stored in the Payroll Check History Table. The software will first look to find the particular state or locality's tax code for the entity code and if found, will then look for whether it has an assigned Payer tax ID number. If the state or locality does not have a tax code present, the taxpayer ID will be assigned from the tax table.

For step-by-step instructions on this screen, refer to the field descriptions at [https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Build W2 Form-s.htm](https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Build_W2_Forms.htm).

Print W-2 Forms

The Print W-2 Forms function is available in two locations:

- On the Site Map, click **Payroll | Period End | W-2 Processing**, then click the **Print W-2** button.
- On the Site Map, click **System Administration | Year End | Year End Processing | Payroll**, click **W-2 Processing**, then click the **Print W-2** button.

Use this screen to Print W-2's. If W-2's need to be grouped by state when printing, use the **Tax table code** field to specify a state.

Each year, before W-2 forms are loaded into the printer, we recommend the following:

- Print one W-2 on plain paper to confirm the correct printer destination.
- After printing a W-2 on plain paper, hold it up against a W-2 form to check the alignment of the values with the form. If the W-2 values do not align with the form, please try the following:
 - Try another browser to print from (if using Chrome, try Firefox and vice versa).
 - Click **Export** in the print selection screen (instead of preview) and print to Acrobat (pdf) or Crystal Report Viewer (rpt).
 - When printing, use the Actual size print option (no scaling).
 - After all the above, try using another printer.
 - Try scaling the print one or more percentage points in either direction.
- Export the final W-2 print to .PDF format and save it in a read-only, year-specific folder on your server or workstation. This will allow you to reprint the W-2 in the future, if necessary.

For step-by-step instructions on this screen, refer to the field descriptions at [https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Print W2 Forms.htm](https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Print_W2_Forms.htm)

Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

Print W-3 Forms

Use this screen to print the W-3 Transmittal of Wage and Tax Statements form, which is a required form when filing W-2's. Please refer to the IRS instructions on filing forms W-2 and W-3 for detail on SSA requirements.

Per Social Security Administration (SSA) regulations, the W-3 form is a Federal form not intended for use as a "state" totals page. Please go to **W-2 Form Maintenance** screen, click the

Listing button, select **Totals only?**, enter the state code in the **Tax table code** field, and use that print-out for state purposes.

- Box 12a of the W-3 form sums Box 12 figures of the W-2 forms for code letters D, E, F, G, H, S, Y, AA and BB.
- Box 12 code DD is for the Cost of employer-sponsored health coverage, and code EE is for Designated Roth contributions under a governmental section 457(b) plan.
- For a complete list of field descriptions, please refer to the Spectrum online Help (click Help from the Print W-3 Forms screen).

Export W-2 File

Use this screen to prepare W-2 electronic files. There are two electronic file types that can be created from this screen. One conforms to the federal electronic EFW2 format. The other is a comma-delimited file, in a format used by Nelco, a 3rd party processor of W-2's.

Backup W-2 Records to History

Use the Backup option on the W-2 Processing screen to save W-2 information into a new history table. This process is available before or after the electronic files and printing of forms takes place. While it can be run multiple times, only the latest version will be saved.

EFW2 Format File for Federal Filing

Here are instructions for creating the EFW2 format file for Federal W-2 filing:

1. Complete and review the screen selections. For step-by-step instructions on this screen, refer to the field descriptions at [https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Export W2 File.htm](https://help.dexterchaney.com/Spectrum14/#../Subsystems/PR/Content/PR_Period_End/Export_W2_File.htm)
2. For Federal submittal, leave **Tax table** field at 'ALL.'
3. Click the **Continue** button. A pop-up will appear where you can enter an alternate file name for the export (the file name will always default to W2REPORT).
4. Click the **Continue** button on the pop-up. The download settings for your browser and / or workstation will determine where the EFW2 format file is saved or how it is opened. Please contact your company IT department for more information.

5. After the EFW2 format file has been created, use Notepad or Notepad++ to confirm the W-2 information has been created.

Power User Tip: Spectrum includes data validations on the Nelco export that are not part of the EFW2 file creation. Before clicking the Continue button on the Export W-2 file screen, click the Nelco CSV button, to let Spectrum check addresses, SSNs and names on the W-2 Employee records. After all corrections are entered, and the Nelco CSV validation is clean, then click the Continue button, and create an EFW2 record with cleaner data.

6. To further review the contents of the electronic file, the Social Security Administration offers AccuWage Software.

NOTE: All Address fields must be completed, even if the same address is used more than once, or you will receive an error message when you run your AccuWage test.

7. Enter information as needed in each field. Refer to the message line at the bottom of the screen and IRS or SSA documentation for assistance.

Supplemental Instructions for State filing with the EFW2

Spectrum includes the standard, required EFW2 fields in its W-2 export. Many states require additional fields, which are not supported by the Spectrum W-2 export. Please see the Appendix to this Help File for a list of states which have additional requirements for electronic filing.

There are several options to create an electronic file that meets these states' non-standard requirements:

- Manually modify the EFW2 file created out of Spectrum in Notepad or Notepad++.

Please note that Spectrum Support is not able to assist with modifying EFW2 files.

- Contract with Viewpoint's Professional Services or Technical Services to create a state-specific EFW2 file.
- Contract with Nelco to generate the W-2's (see section below).

- To create a state-specific electronic file, enter the tax table code for the state in the **Tax table** field, and fill in the **Tax ID** and **FIPS code** on the screen, before clicking the **Continue** button.

IMPORTANT: Be aware that the file name always defaults to "W2REPORT." We recommended that you create separate sub-directories to write the Federal and each individual state file, or be very careful to consistently name the files. Unless you write to a slightly different location or file name, your latest electronic file will overwrite the previous one.

Viewpoint Partners with Nelco to Support W-2 Filing

The Spectrum interface has a function to create a comma delimited (.csv) file which can be uploaded to the Nelco site to process W-2's. In addition, Nelco has special Viewpoint customer pricing for processing W-2's. Please contact Nelco at 1-800-266-4669 for more information.

After carefully filling out the Export W-2 file screen, click the Nelco CSV button. After validating and correcting data, the system will prompt you, based on the download and save settings on your workstation, to save or open the file. If you do open the file, please use Notepad or Notepad++, as Excel will often strip leading zeros unless the data is carefully imported in.

Once the file has been saved, you will go to the Nelco website and choose from a menu of Nelco services, including electronic filing and delivery of forms to employees.

IMPORTANT: If you are using Nelco to file W-2's, the State ID must be entered in an exact format. Please see the Appendix for a document with State ID format requirements, or contact the taxing agency of each state in question. The State ID should be verified prior to building W-2's. To correct the State Tax ID for future filings, enter it at Payroll | Maintenance | Tax Tables > enter the tax table code of the state in question, fill in the Tax ID Number field with the correctly formatted ID.

Complete and review the screen selections, paying special attention to the tax year selection.

1. Click the **Nelco CSV** button. The Export to Nelco CSV Format information window displays.
2. Click the hyperlink to learn more about Nelco Solutions, or click **Continue** if you are already sure you wish to proceed with the export.

3. A second information window displays letting you know if the export was successful and listing any exceptions (records containing errors) if they exist.
4. Open the [Nelco partner site](#). If this is your first time here, you'll need to click the **Create Account** link. Here you'll be prompted to enter your general info (name, address, email, etc.) about your company.
5. Click the **Import Data** link and select the 'Federal Information Reporting' Form Type and select the File to Import.
6. Upload your .CSV file to the Nelco site from your Downloads folder.
7. Click the **Import** button.

Choose one of the following filing bundles

BUNDLES

Federal E-filing, Recipient Mail, & Online Retrieval

OR any service option(s)

A LA CARTE SERVICES

Federal E-Filing

Recipient Mail & Online Retrieval

SUBTOTAL: \$4.80
Price List

LEGEND:

- Selected for Service
- Previously Filed
- Selected for Reprint

FORMS IN PROGRESS [Delete All Forms](#)

Choose services (left) and affected Recipient (below) to add to cart.

Import Company		Federal Filing	Recipient Copy
1095-C (4 records)			
<input checked="" type="checkbox"/>	Doe, John A Jr	✓	
<input checked="" type="checkbox"/>	Johnson, Jim P	✓	
<input checked="" type="checkbox"/>	Smith, Jane F	✓	
<input checked="" type="checkbox"/>	West, Pam J	✓	
UNSELECT ALL		4 record(s) selected	0 record(s) selected
CLEAR SUBMISSION HISTORY			

8. On the **Forms In Progress** screen, choose the filing services you wish to use: **Federal E-filing, State Filing, Recipient Mail & Online Retrieval**. These services can be selected as a bundle or individually.
9. Make sure all the employees for your companies are selected on this screen and click the **Next** button to proceed.

10. If you have selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.
11. Review the recipients in your cart and click the **Next** button.
12. On the **Payment Details** screen, enter credit card information.
13. Click the **Pay & Submit** button to complete processing.

Cost Center Security Information

If cost centers are being used in the current company, only employees that the operator has security authorization to access are available.

If entity tracking is enabled in the current company, employee W-2 records display based on whether the operator has authorization for the assigned entity. If at least one authorized cost center is assigned to the specified entity code, all W-2s for that entity display.

Income Tax Tables

There are two methods for updating the income tax graduated tables in Spectrum: they can be updated manually, or you can use the tax table subscription download from the Spectrum Customer Portal.

Note that the tax table subscription update only updates graduated and percentage income tax tables. It also updates standard deductions and exemptions as applicable.

IRS Notice 1036 contains the US Federal taxation rates. We recommend reviewing this publication when setting your US tax rates.

Refer to the [Year End Checklist](#) topic for detailed instructions.

Year End Update

The Payroll Year End Update clears the prior year YTD earnings figures, clearing the decks for a New Year payroll cycle. Once the Year End Update is performed, and a payroll cycle in the New Year is updated, it is not advisable to attempt to process a prior year's payroll check. Special procedures would have to be taken to do so (i.e., voiding all the payroll checks in the New Year) and is not recommended. Please confirm that all payroll checks dated for the prior year have been completed.

Refer to the [Year End Checklist](#) topic for detailed instructions.

For non-standard calendar years that require an additional pay period, the system will calculate using the appropriate weekly and biweekly payrolls that occur in a non-standard calendar year by selecting the **Extra pay period this year** check box on the [Tax Table Maintenance](#) or [Year End Update](#) screens.

Non-Payroll Processing

This topic covers year-end processing steps for the following modules:

- [General Ledger](#)
- [Accounts Payable](#)
- [Equipment Control](#)
- [Fixed Assets](#)
- [Materials Management](#)

General Ledger

Open Forward Balance Update

The Opening Forward Balance Update carries all asset, liability, and equity General Ledger balances forward from one year to the next. All changes are reflected in current balances. Income and expense accounts will be closed to the Retained Earnings account defined in the G/L Installation screen. This update may be run frequently as the company progresses into a new fiscal year. This step should be repeated if changes have been made to the previous year.

IMPORTANT: When using this function, all balance records for the next year will be affected.

- If the asset account's year-end balance is \$0.00 and the status is Not used, the account code is not rolled forward to the New Year.
- If the liability account's year-end balance is \$0.00 and the status is Not used, the account code is not rolled forward to the New Year.
- If the capital account's year-end balance is \$0.00 and the status is Not used, the account code is not rolled forward to the New Year.

- Regardless of an income account's status, the account code is closed to Retained Earnings.

Fiscal Calendar Maintenance

The Fiscal Calendar Maintenance screen displays all fiscal years presently set up in the current company. This screen is also used to set and maintain Journal Entry sequence numbers and ending dates for each fiscal period. Entries made here control certain defaults and virtually every transaction updated to the General Ledger.

Normally, no changes are required in this screen. However, at year end is a great time to check whether there need to be any additional years added to the fiscal calendar. If changes are made, the dates on historical transactions will not be changed.

To update the Fiscal Calendar

1. On the Site Map, click **General Ledger | Period End | Fiscal Calendar Maintenance**.
2. Click the **New Year** button. The Add New Fiscal Year window displays.
3. Press **Enter** until all periods display, and then click **OK**.

Note: Use the Add New Fiscal Year window to add years to your fiscal calendar. After entering the number of periods, press Enter. The dates and period labels for the next future year default, and you are able to edit the period labels. Next, the Auto-Create Additional Fiscal Years window displays, allowing you to create up to nine additional years based on the established settings.

4. Display the new Fiscal Calendar. Review the new dates to verify the update.
5. Click the check mark to save and exit the calendar.

Processing Dates Maintenance

At Year End maximum dates in all modules will need to move into the New Year.

In the Change Processing Dates screen, Edit Mode is engaged as soon as the screen is opened. Anyone else making entries in that company will need to wait until the screen is closed to process date based transactions.

1. Go to **System Installation | Processing Dates**.
2. Make any necessary changes.

3. To save changes, click **Save** and/or the check mark in the upper right hand corner until the screen has returned to the Site Map.

Accounts Payable

Managing Vendors with 1099s

The IRS requires that if you make payments in excess of \$600 to certain groups, you must prepare 1099-MISC/NEC forms and send copies of the forms to the IRS and vendor(s). Complete the following steps to ensure that your vendor and 1099 information are set up properly within Spectrum.

Set up the Vendor

1. On the Site Map, click **Accounts Payable | Vendors** to set up a vendor.
2. Click the **Properties** button and complete the Payment due, Discount due, Insurance, Status, and Invoice defaults sections.
3. In the 1099-Misc section of the Properties window, select the **1099-Applicable** check box and then complete the **Alternative name** field.

Note: It is suggested that you complete the Alternative name field in case the vendor uses multiple names when submitting his/her 1099 information to the government.

4. In the **Amount indicator** field, use the drop-down menu to select the 1099 form's payment indicator.
5. Complete the **Social Security #** field or the **Payer Tax ID number** field.

IMPORTANT: Do not wait to until a later time or date to complete this step.

6. Complete the remaining fields and then click **OK** until you return to the Site Map.

Year End Processing

1. From the Site Map, go to **Accounts Payable | Period End | 1099 MISC/NEC Form**, or go to **System Administration | Year End | Year End Processing**, click the **Accounts Payable** button, click the **1099 MISC/NEC Maintenance** button.
2. Click the **Build** button to open the Build 1099-MISC/NEC Forms screen.

3. In the **Vendor** field, enter the vendor code, press F4 to select a valid vendor code, or press Enter to accept the software default of ALL.
4. In the **From date** field, enter the first payment date to be processed. Normally, this is 01/01/YY.
5. In the **Through date** field, enter the final payment date to be processed. Normally, this is 12/31/YY.
6. In the **Minimum amount** field, enter the minimum year-to-date payment amount for the vendor 1099s. Vendors with total payment amounts less than the amount entered in this field will not be updated to 1099 processing.
7. Select **Continue** and then click **Save** until you return to the Site Map.

1099-MISC/NEC Maintenance

The 1099-MISC/NEC Form Maintenance screen displays a list of all the vendors currently receiving a 1099. You can also use this screen to update and print 1099-Misc forms for vendors.

- Click **New** to create add a new 1099-Misc recipient, or select a record and click **Edit** to make changes.
- This screen provides vendor status protection. Entry is prevented when the vendor status is Not Used. A warning displays when the status is Inactive.

Build 1099-MISC/NEC Forms

This update is used prior to printing 1099-MISC/NEC forms to collect necessary information from throughout the software. It must be run prior to the Vendor History Purge for 1099-Misc forms to be accurate.

To support tax law guidelines requiring companies to omit payments made by a "third party network" (e.g., credit card processor) from this form, the Build 1099-MISC/NEC Forms exclude payments made from Cash Management credit card accounts and any payments made via Comdata. The Vendor 1099 report also excludes these payments.

Print 1099-MISC/NEC Forms

This screen is used to print 1099-MISC/NEC forms. 1099 information is generated either through 1099-MISC/NEC Form Update or through 1099-MISC/NEC Form Maintenance. The

payer name, address and telephone number shown on the 1099-MISC/NEC form is printed based on information stored in the Company Installation screen.

Due to the format change on the 1099-NEC, it is recommended that you do not use Address 2 for your company's address. Go to System Administration | Installation | Company and review the Properties tab. When an Address 2 exists, the other fields will be pushed down and may not appear properly in the envelope window.

Export 1099-MISC/NEC File

Use this screen to export 1099-MISC/NEC forms. Only 1099s that are filed electronically will display in this screen.

- All entries must be capitalized per Internal Revenue Service (IRS) specifications.
- The transmitter is the party preparing the 1099-MISC/NEC file. The contact name is the party the IRS will contact should there be a problem. These may be the same.
- If 'Entity tracking' is enabled in Enterprise Installation, this export will segregate forms by Entity. The Export file will contain the 'entity' name and address, when applicable, in place of the Company Installation information. Whereas the 'payer tax ID number' for the 'main company entity' is entered as the forms are built, the entity-specific 'payer tax ID numbers' are derived from the Entity setup.

Note: While entering tax ID and address information, punctuation characters should not be included.

Viewpoint Partners with Nelco to Support 1099-MISC/NEC Filing

In order to make it easier for users to file 1099-MISC/NEC forms, Viewpoint is partnering with Nelco. The Spectrum interface includes an exported CSV file which can be uploaded to the Nelco site by the user via the new Nelco CSV button on this screen. Users can then choose from a menu of Nelco services, including electronic filing and delivery of forms.

IMPORTANT: When filing 1099's electronically with Nelco, the state of Iowa requires an additional electronic filing number. To support this Business eFile Number (aka 'BEN'), a new field titled 'Electronic filing #' has been added to the Export 1099NEC/MISC File page.

Complete and review the screen selections, paying special attention to the tax year selection.

1. Click the **Nelco CSV** button. The Export to Nelco CSV Format information window displays.
2. Click the hyperlink to learn more about Nelco Solutions, or click **Continue** if you are already sure you wish to proceed with the export.
3. A second information window displays letting you know if the export was successful and listing any exceptions (records containing errors) if they exist.
4. Open the [Nelco partner site](#). If this is your first time here, you'll need to click the **Create Account** link. Here you'll be prompted to enter your general info (name, address, email, etc.) about your company.
5. Click the **Import Data** link and select the 'Federal Information Reporting' Form Type and select the File to Import.
6. Upload your .CSV file to the Nelco site from your Downloads folder.
7. Click the **Import** button.

Choose one of the following filing bundles

BUNDLES

Federal E-filing, Recipient Mail, & Online Retrieval ?

OR any service option(s)

A LA CARTE SERVICES

Federal E-Filing ?

Recipient Mail & Online Retrieval ?

SUBTOTAL: \$4.80
Price List

LEGEND:

- Selected for Service
- Previously Filed
- Selected for Reprint

FORMS IN PROGRESS [Delete All Forms](#)

Choose services (left) and affected Recipient (below) to add to cart. NEXT ▶

Import Company		Federal Filing	Recipient Copy
1095-C (4 records)			
<input checked="" type="checkbox"/>	Doe, John A Jr	✓	
<input checked="" type="checkbox"/>	Johnson, Jim P	✓	
<input checked="" type="checkbox"/>	Smith, Jane F	✓	
<input checked="" type="checkbox"/>	West, Pam J	✓	
UNSELECT ALL 🗑️		4 record(s) selected	0 record(s) selected
CLEAR SUBMISSION HISTORY			

NEXT ▶

8. On the **Forms In Progress** screen, choose the filing services you wish to use: **Federal E-filing, State Filing, Recipient Mail & Online Retrieval**. These services can be selected as a bundle or individually.
9. Make sure all the employees for your companies are selected on this screen and click the **Next** button to proceed.
10. If you have selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.
11. Review the recipients in your cart and click the **Next** button.
12. On the **Payment Details** screen, enter credit card information.
13. Click the **Pay & Submit** button to complete processing.

Equipment Control

Open Forward Balance Update

The Open Forward Balance Update screen resets the opening revenue and cost balances for a new fiscal year from the previous year for each piece of equipment. This is a necessary update when moving from one year to the next, and may be run numerous times.

This function is available at **Equipment Control | Period End | Open Forward Balance Update**, or **System Administration | Year End | Year End Processing** and click **Equipment Control** and click **Open Forward Balance**.

1. Enter the fiscal year most recently completed.
2. Click **Continue**.

Fixed Assets

For Fixed Assets year end processing, often companies are required to report on assets that they acquire or dispose of that year, and report on YTD depreciation.

YTD Depreciation

YTD depreciation can be reported by going to **Fixed Assets | Period End | Depreciation History Report**, running the Depreciation History Report for the 01/01/YY through 12/31/YY dates (and then cancelling out of the optional Purge step which appears on another screen).

Disposal

To dispose of an asset without deleting and report on the disposal at year end, perform the following steps:

1. Create a Department at **Fixed Assets | Maintenance | Department** for all assets that are disposed of in the current year.
2. When an asset is retired, sold, disposed of, etc., set the asset to Inactive status at **Fixed Assets | Maintenance | Fixed Assets Master**, to stop depreciation calculation.
3. Enter the date retired and sales price (if applicable) on the asset, and change the department on the asset to the department created in step 1.
4. These changes are not recorded in the general ledger. If you have sold the asset, create a journal entry to reduce the asset, accumulated depreciation amount, and gain/loss on sale, etc.
5. To report on asset disposal for the year, run a fixed asset listing (go to **Fixed Assets | Maintenance | Fixed Assets Master**, click the **Listing** button), using the department created in step 1.

Deletion

If you choose to delete an asset entirely from Fixed Assets, you can report on disposed assets with the Deletions Report, at **Fixed Assets | Reports | Fixed Assets Deletions**. Only deleted assets will display on the Deletions report.

NOTE: Once viewed, the Fixed Assets Deletions report prompts you to purge the data (it purges the retirement activity). So if you've never run these reports before, you will likely see several years of data.

1. Go to **Fixed Assets | Maintenance | Fixed Assets Master**.
2. Press **Enter** to see all your assets.
3. Scroll down to the asset you have sold, and then click on the **Delete** button.
4. You will be asked again if you wish to delete, click **OK**.

Addition

To report an asset addition to Spectrum, go to **Fixed Assets | Reports | Fixed Assets Additions** and click Preview. All assets that have ever been added to Spectrum, and not yet purged from this listing, will show in this report. When you run this report, please retain it as a permanent record of the company, as it cannot be recreated.

NOTE: Once viewed, the Fixed Assets Addition report prompts you to purge the data (it purges the addition activity only, not the asset or depreciation records). So if you've never run this report before, you will likely see several years of data.

History Consolidation

The Fixed Assets History Consolidation is an optional function and used only if you have purged General Ledger depreciation records in General Ledger for prior years.

This function is available at **Fixed Assets | Period End | History Consolidation**, or at **System Administration | Year End | Year End Processing**, click **Fixed Assets** and then click **History Consolidation**.

Materials Management

Open Forward Balance Update

The Open Forward Balance Update function rolls the totals of the plant production file from one year to the next.

This function is available at **Materials Management | Period End | Open Forward Balance Update**, or at **System Administration | Year End | Year End Processing**, click **Materials Management** and then click **Open Forward Balance**.

1. In the **From fiscal year** field, choose a year from the drop down. The ending balance of that year will roll to the opening balance of the next year.
2. Click **Continue**, and then click **OK** in the confirmation box.

Affordable Care Act Processing

Form 1095-C is used by employers that are required to report their offers of health coverage to the IRS and employees. It is issued to an individual by an employer subject to 'employer shared

responsibility' for providing minimum essential health coverage to any of its employees.

In order to make it easier for users to file 1095-C forms, Viewpoint is partnering with Nelco to provide initial e-filing at no cost. Any follow-up 1095-C corrections will be handled by Nelco for a fee, and printing and mailing of physical forms are also available through Nelco for an additional fee.

Note: These forms are exported from each of the companies where the employees are set up, and each file can be separately uploaded to Nelco for processing.

1095-C Processing

Open the **Payroll | Period End | 1095-C Processing** screen to add and edit employee-specific reporting information. Individual employee records can be edited and deleted, and new records can be manually entered here.

After the year is entered, the grid populates with the codes and names of employees who have been paid in this company in the year. Entries from previous years will be saved, and will re-appear when that year is entered.

The screenshot shows the 'Form 1095-C Maintenance' interface. At the top, there are buttons for 'Export Worksheet', 'Import Worksheet', 'Print Forms', and 'Export'. Below these are input fields for 'Employee code' (set to 'ALL') and 'Year' (set to '2015'). A toolbar contains 'New', 'Edit', 'Delete', and 'Delete All' buttons. The main area is a table with 8 records, showing columns for Employee code, Employee name, and coverage for Jan, Feb, Mar, Apr, and May. The table is titled 'showing 8 of 8 records'.

Employee code	Employee name	Jan coverage	Feb coverage	Mar coverage	Apr coverage	May coverage
BUHJAY	Jay Buhner	1E	1A	1B	1C	1D
COPEDW	Edward Copeland	1H (0.00 2D)				
FRAKAT	Kathy Franklin	1A(0.00 2C)				
MAXCAR	Caroline Maxwell	1B (450.00 2C)				
PETTRAN	Randy Peterson	1A(0.00 2C)				
WILABB	ABBEY O'Brian	1A	1A	1A	1A	1A
WILWIL	William W William	1A(0.00 2C)				
YOUPHI	Phillip Young	1H (0.00 2A)	1H (0.00 2A)	1H (0.00 2A)	1H (0.00 2A)	1A(0.00 2C)

If employees and dependents have been setup in Human Resources module (see the [ACA Setup](#) section for more information), then employee dependent information will also automatically populate for filling out Part III of the 1095-C form.

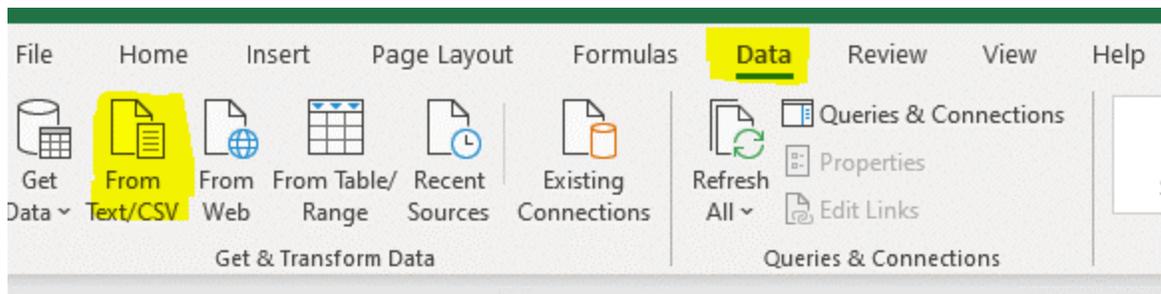
- To edit an employee record, select the record in the grid, and click the **Edit** button.
- To delete an employee record, select the record in the grid, and click the **Delete** button.

Export Worksheet

Click the **Export Worksheet** button to export a 1095-C Excel template, created for the purpose of easing the process of filling in lines 14-16 of the 1095-C.

To save the worksheet, follow these steps:

1. On the pop-up screen, enter the reporting year, and check the box titled **Employer provided self-insured coverage?** if your company provides health insurance for your employees.
2. Enter the name of the file and add the extension .txt or .csv. The file created is a comma-delimited file, and is not given an extension by Spectrum.
3. Click **OK** and download the file to your workstation.
4. Open Excel with a blank workbook.
5. Select the **Data** tab.
6. Click **From Text/CSV**.



7. Search for the file entered in Step 2 at the download location (if you didn't give the file an extension, choose to look for all files). Choose the file, and click **Import**. If you don't choose the Import option for opening the file, all leading zeros will be dropped from the file. We see this impacting especially birthdates and employee codes.
8. Use the following settings to import the data:
 - Select Delimiters = Comma.
 - Data Type Detection = Based on entire dataset

- Click **Transform Data**

2022test.txt

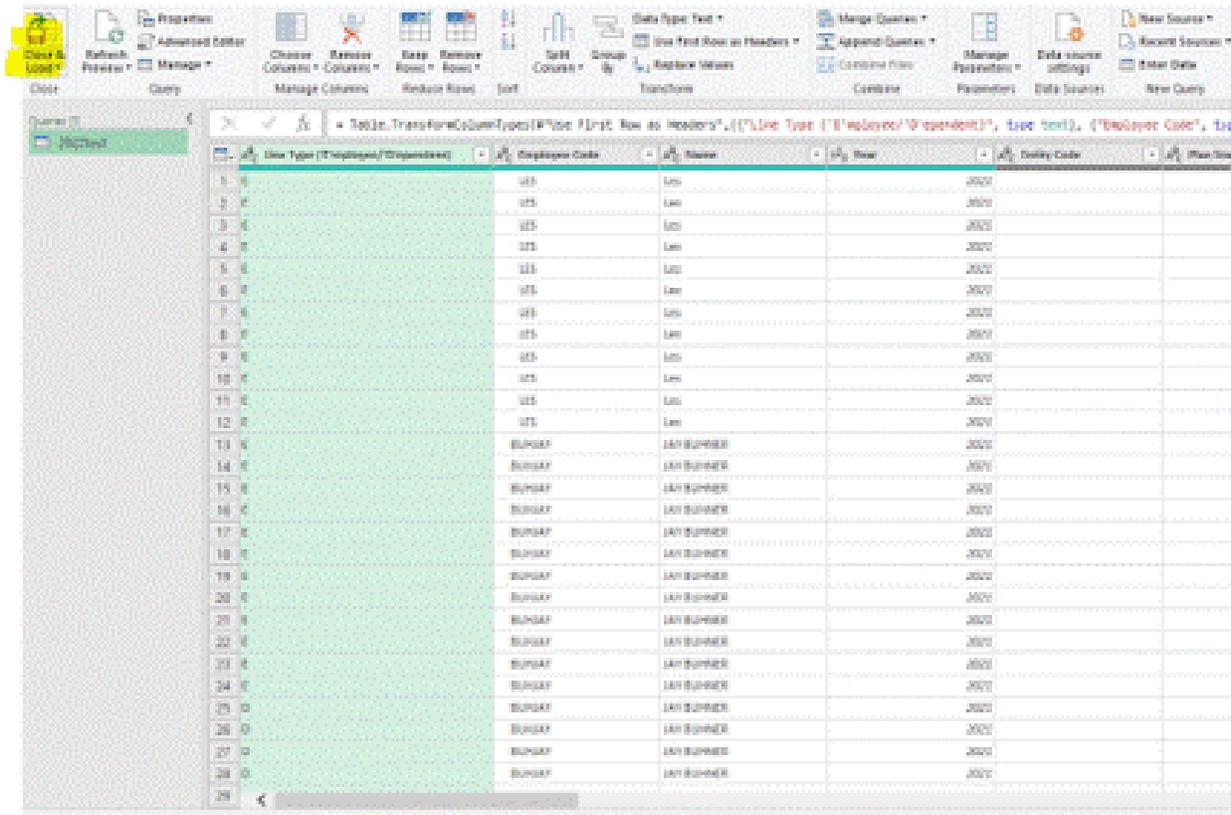
File Origin: 1252: Western European (Windows) | Delimiter: Comma | Data Type Detection: Based on entire dataset

Line Type ('E'mployee/'D'ependent)	Employee Code	Name	Year	Entity Code	Plan Start Month	Self-Insured (Y/blank)	Month
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	LES	Les	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	
E	BUHJAY	JAY BUHNER	2021			Y	

Buttons: Load | Transform Data | Cancel

- Select all columns in the data preview:
 - Click the left-most column with your mouse
 - Scroll the scroll bar at the bottom all the way to the right
 - Holding down the shift key, click the right-most column with your mouse

- Add filter to use first row as header.



9. After all columns are highlighted click **Close & Load**.

The worksheet is populated with a list of employees who were paid in the year entered, and columns for entering, per month, lines 14 – 16 for each employee. For self-insured employers, the list may also include employee and dependent records for filling out Part III, and does include blank columns for filling out Part III.

For import, save the worksheet as a .csv / comma-delimited file.

Note: The worksheet does not include any previously entered 1095-C entries.

Import Worksheet

On the Form 1095-C Maintenance screen, click the Import Worksheet button to import information from the Employee Worksheet (saved as a .csv file). The imported records will change

existing records where the employee code / employee name matches (including writing blanks over previously entered data). If an employee code is not on the import file, existing records will not be impacted.

To add employee information, select an employee, click the edit button to open the Edit Form 1095-C window and make changes to an individual employee. The 'Offer' fields and the 'Safe Harbor' fields each provide drop-down lists for IRS-designated codes.

Print Forms

Before exporting data to Nelco, there are a few additional steps:

1. Click the **Print Forms** button on the Form 1095-C Maintenance screen, and review all 1095-C reports for accuracy and completeness.
2. Contact Nelco at 1-800-266-4669 to obtain your prepaid 1095-C filing code. You will need to provide the total number of customer records you are processing, and your Spectrum customer ID. If you do not know your customer ID, call Spectrum Support at 1-800-352-8939, email spectrumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#).
3. Once all entry in Spectrum is complete, click the **Export** button to export the data for electronic processing. The Export to Nelco information window displays.
4. Enter a contact and phone # for your company, and click **Continue** to proceed with the export.
5. Save the file to your workstation.

Note: Do not open the export file in Microsoft Excel, as this will remove leading zeros from, for instance, codes and birthdates. If you need to make any changes to the export file, use a text editor like Notepad, or make changes in Nelco's portal instead (see below).

Here are the steps for importing your 1095-C data into Nelco for processing:

1. Open the [Nelco partner site](#). If this is your first time here, you will need to click the **Create Account** link. You'll be prompted to enter general info (name, address, email, etc.) about your company.

2. Click the **Import Data** link and select the 'Affordable Care Act Reporting' **Form Type** and select the **File to Import**. Upload your .CSV file to the Nelco site from your Downloads folder.
3. Click the **Import** button.

Choose one of the following filing bundles

BUNDLES

Federal E-filing, Recipient Mail, & Online Retrieval

OR any service option(s)

A LA CARTE SERVICES

Federal E-Filing

Recipient Mail & Online Retrieval

SUBTOTAL: \$4.80
Price List

LEGEND:

- Selected for Service
- Previously Filed
- Selected for Reprint

FORMS IN PROGRESS [Delete All Forms](#)

Choose services (left) and affected Recipient (below) to add to cart. **NEXT** ▶

Import Company	Federal Filing	Recipient Copy
1095-C (4 records)		
<input checked="" type="checkbox"/> Doe, John A Jr	✓	
<input checked="" type="checkbox"/> Johnson, Jim P	✓	
<input checked="" type="checkbox"/> Smith, Jane F	✓	
<input checked="" type="checkbox"/> West, Pam J	✓	
UNSELECT ALL	4 record(s) selected	0 record(s) selected
CLEAR SUBMISSION HISTORY		

NEXT ▶

4. On the **Forms In Progress** screen, choose the filing services you wish to use. Remember that Federal E-filing is provided at no cost with the prepaid filing code from Nelco, and printing and mailing services are available for an additional fee. If you only want to file the 1095-C Forms, select the 'Federal E-filing' option from the A LA CARTE SERVICES section as shown below.
5. Make sure all the employees for your companies are selected on this screen and click the **Next** button to proceed.
6. If you selected the 'Recipient Mail & Online Retrieval' service, enter recipient email addresses.

7. On the **1094-C Data Entry screen**, enter Applicable Large Employer (ALE) Member transmittal information for your company. Refer to the IRS instructions for details on entering this information.
8. Review the recipients in your cart and click the **Next** button.
9. On the **Payment Details** screen, enter the Prepaid Filing Code you received from Nelco earlier and click the **Apply Code** button. If you are having Nelco print and mail the forms for you as well, you will need to enter credit card information on this screen for those services.
10. Click the **Pay & Submit** button to complete processing.

FAQ

Preparing for Year End

This section provides answers to some of the most common questions related to preparing for year end processing.

How many forms should I order?

If you plan to use the plain-paper format of the W-2 and file electronically, then ordering forms is not applicable.

A reliable way to determine how many forms might be needed is to perform the Build W-2 Forms and print the "totals only" format of the W-2 Form Listing. This report includes "# of W-2s" on the page. Plus, allow extra pages for potential alignment errors, printer jams, and reprints for employees who may have lost their W-2s. Some of our clients order twice the number of forms they expect to need. Should an error be found at the last minute, this ensures that the entire W-2 run can be successfully reprinted before the deadline.

Do I need any programming modifications in order to produce W-2s and 1099s at the end of this year?

Please load Spectrum 2021 R3 for up to date Year End programming on W-2s, 1099's and other Year End functions.

How do I show life insurance in excess of \$50,000 and/or personal use of company-owned automobile on the W-2?

The IRS publishes a table detailing the amount of earnings to be applied. Contact your accountant for more information regarding your company's specific responsibility. See the Chapter on Benefit Setup in this help file for more information on recording benefits in Spectrum.

What can I do before my final payroll cycle this year to prepare for year end?

There are several things you can do now to make year end easier:

- Review this help file carefully.
- Order forms if you don't plan to use the plain-paper W-2 format.
- Print copies of the **Notice to Employee** if you plan to issue plain-paper W-2s.
- Collect state, county, and local tax changes.
- Record benefit accumulations for each employee. Please check with your CPA for more detailed information on your company's specific obligation.
- Perform a W-2 pre-test.
- Print the **Wage and Tax History Report** in summary for each state and verify that no major corrections are needed.
- Update to the Spectrum Year End version for 2021 R3.

What is a W-2 pre-test?

The W-2 pre-test is a test performed before year end. We recommend you perform a pretest of your W-2 processing, particularly if you are a new Spectrum user or operating in a different state for the first time. This can be done well in advance of year end. Run the Build W-2 Forms function. Then, review the year-to-date 2021 information for accuracy. After the final payroll cycle of the year, you will re-run the Build W-2 Forms; this clears all information and rebuilds the file automatically. It is not necessary to wait until January 2022 to begin the review process.

What should I do if I find a problem during the pre-test?

If you find a problem, and you aren't sure how to correct it, we encourage you to call **(800) 352-8939**, email us at spectrumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#).

Closing the Payroll Year

This section provides answers to some of the most common questions related to closing the payroll year.

I have received a software update, but haven't loaded it yet. How will this affect year end processing?

Please load the Year End (R3) version of Spectrum before performing year end processing. If you are not using Spectrum 2021 R3, call **(800) 352-8939**, email us at spec-trumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#).

When do I close 2021 payroll?

Plan to perform the year end tasks any time after you complete your last payroll check dated 2021 and before you issue any checks dated 2022. Spectrum is date-sensitive and does not require you to do these steps on December 31st.

What does the Year End Update do? What effect does it have on my permanent payroll records in Spectrum?

The Year End Update resets all employees' year-to-date balances back to zero. The Year End Update also sets the accumulated balance in the recurring deduction file to zero if the **Deduction/Add-on Code** flag is set to clear at year end.

The Year End Update does not remove any history for employees.

May I start my first January payroll before printing W-2s?

Yes, right after finishing the last payroll for 2021 at year end, you will perform a **W-2 Build** on the **W-2 Form Maintenance** screen and review the totals.. You will want to review the totals prior to the Year End Update step, as once the Year End Update is performed and the first payroll cycle is run, revising the previous year's information is much harder. The W-2 print does not have to be performed at this time.

What happens if my first 2022 payroll has a period end date in December 2021?

This is not a problem. W-2s must be produced on a strictly calendar-year basis (using check date), so this cycle will be part of the 2022 totals regardless of the period end date.

If you have the Period-end date or Work date expense accrual options selected on the Payroll Installation Properties tab, then expenses for this cycle will be reflected in December.

I want to delete (purge) terminated employees. How do I do this?

An employee may be purged by using the **Delete Employee from Current Company**. This option is located at Payroll | Utilities.

My fiscal year is different than the calendar year. Is there anything special I should know?

Because payroll is based on the calendar year, you will need to perform the Year End Update in the Payroll module, even if you maintain the rest of Spectrum on a fiscal year basis. Do not run the Payroll Year End Update again at the end of your fiscal year.

My fiscal Year End is December 31st. Is there anything special I should know?

Spectrum provides an unlimited Fiscal Calendar in the General Ledger module. To add new years or historical years to this calendar, see the General Ledger Help.

How do I go about reviewing the accuracy of the W-2 information?

It is best to review the information stored in each box on the W-2, beginning with your company name, address, and employer identification number and then working through each amount box after that. You should also check the totals page on the **W-2 Listing**, compare it to balanced payroll records, and then review the individual W-2s.

How do you recommend I balance payroll for W-2s?

There is no substitute for sound procedures throughout the year. In general, the basis for year end balancing should reflect the sum of accurate quarterly filings and routine reconciliation of liability accounts and bank statements.

- Bank Statement reconciliation. The best method for detecting manual and void checks that have not been entered into the system is through the bank statement reconciliation, which should be completed through 12/31, prior to issuing W-2s.
- Balance GL payroll. Verify that all General Ledger payroll liability account balances are reconciled through 12/31, prior to issuing W-2s. Use the Payroll | Reports | Liabilities Reconciliation report for this purpose.
- For reconciling individual W-2 boxes:
Boxes 1 – 6: Reconciling boxes 1 – 6 on the W-2 should focus on matching the sum of the four Payroll | Reports | Quarterly Federal Tax Reports, sometimes referred to as the

941 Federal Quarterly Report, filed during the year. If a difference is found (beyond 'fractions'), reprint the Quarterly Federal Tax Report in Spectrum to determine whether changes may have occurred after the filing was made (backdated checks or voids). When attempting to locate a difference, the figures on the quarterly report should then be reconciled to the Tax History Report for the same date range. The source information for both the Build W-2 Forms and this history report is the employee state tax history file.

Boxes 9 – 14: Reconciling boxes 9 – 14 for dependent care benefits, 401(k), and other amounts is best done by printing the Deduction History and Add-on History Reports.

Boxes 15 – 20: Reconciling boxes 15 – 20 for state and local information is best done using the Wage and Tax History Report or the Subject-to-Tax Report.

We've instituted a Health Savings Account (HSA) this year. How do we record this on the W-2?

Please see the Benefit Setup chapter in this help file for details on recording benefits in Spectrum. You would create a deduction for the employee portion, and an add-on for any employer contribution. Both the add-on and deduction codes are added to Box 12 during the W-2 Build.

How should companies report the total cost of employee Health Care Benefits?

Spectrum's **W-2 Build** can be set to net Add-on and Deduction codes. Simply select both in the setup for Box 12. See the Payroll Processing chapter in this help file for more information.

I cannot locate the "Totals Only" option. Where can I find this report?

The Listing option on the **W-2 Form Maintenance** screen provides a 'Totals only' option.

How do 401(k) and Cafeteria/Section 125 amounts show up on the W-2?

The 401(k) amounts deducted from employee earnings are shown in Box 12. "D" represents 401(k) amounts. You will also notice that the wages for Federal income tax are shown net of 401(k) deductions.

The rules for Cafeteria/Section 125 amounts vary depending on the type and amount of the deduction. Generally Section 125 amounts are not included in Federal wages. Some Section 125 benefits paid by employers must be reported on the W-2. Please see IRS publications cov-

ering Section 125 plans for more information and/or consult with a CPA on your specific company's obligation.

Wages subject to income tax at the state and local level may or may not be affected by Cafeteria/Section 125 or 401(k) amounts. Verify this with your CPA.

How do I show 'pension/retirement' on the W-2?

On the W-2 form, an "X" may be needed in the **Retirement plan** box (contained in box 13 of the W-2) for some or all of your employees.

During the Build W-2 Forms, this can be set automatically, by selecting **Yes – check retirement on all W-2s** or **K – check only for 401k participants** from among the options for the **Retirement plan**. The field can also be edited manually, on an employee-by-employee basis, in the **W-2 Form Maintenance** screen.

I want to manually add employees to the W-2 file so they will be included when I print and file W-2's on Spectrum. How do I do this?

The **W-2 Form Maintenance** screen is available for this purpose. Please see the Payroll Processing chapter in this help file for more information.

Our company works in multiple states. I see that the state wages total on the "totals" page of the W-2 Listing is larger than my total payroll. Is there something wrong?

Nothing is wrong. The total of all states' wages appear as one total. It is the sum of all of the state amounts. Review the recap cross tabs for individual state wage and tax totals below the summary total on the W-2 Listing.

One of my employees was recently married and changed her name. Should I set up a new employee code as part of year end?

Spectrum populates employees' names on W-2's based on Employee Main Properties. No additional changes are needed.

If a change in employee code is desired, Spectrum provides a convenient utility to change employee codes automatically. This update changes the Maintenance screens, as well as all of the history files for this individual. This procedure is not tied to year end in any way, and may be used as needed throughout the year.

To change employee codes automatically:

1. On the Site Map, click **Payroll | Utilities | Change Employee Code**.
2. Click **New**.
3. In the **Old employee code** field, enter the employee's previous employee code, or use the drop down to search and select an employee code.
4. In the **New employee code** field, enter the employee's new employee code.
5. Click **OK**.
6. Print the **Employee Code Change Listing** to confirm the entries.
7. Click the **Update** button.

NOTE: It's important that no one is using Spectrum while this step is being performed - both to speed the process and ensure all records are updated properly.

8. Read the text in the **Code Change Window** and click **OK** to proceed.
9. On the **Employee Code Change Update** screen, select the **Continue** option and click **OK**.

Our company's 401K plan includes an employer matching program. How can Spectrum be used to track this?

There is a feature specifically designed to address this need.

1. On the Site Map, click **Payroll | Maintenance | Deduction/Add-on Code** and set up a new add-on code. NOTE: If you select the Percent of related code option as your calculation method, you will be able to attach the 401(k) deduction code that you want to base the calculation on in the related code field.
2. On the Add-ons tab, select the **Print on paycheck** check box. Do not set up tax effects or vendors. Spectrum will calculate the match based on the 401(k) amount deducted each pay cycle.

The Add-On History Report can be used to review these amounts at period end.

I'm trying to reconcile my Payroll liabilities in General Ledger, but there are no January beginning balances. What's wrong?

If December 31st is your fiscal year end, the G/L Opening Forward Balance Update has not yet been performed. This important update sets the beginning balances and retained earnings for the new year, and should be performed each time you post additional amounts into the prior year. The Equipment Control and Materials Management modules also have Opening Forward Balance Updates that should be run before year end and re-run each time you post additional amounts into the prior year.

If the Opening Forward Balance Update has been performed, verify the account type in the G/L master file for the Payroll Liabilities is set to Liability. If an incorrect account type is found, change the type to Liability, and then re-run the Opening Forward Balance Update to set the beginning balance.

Even though I have closed payroll and am now doing 2022 activity, I haven't closed other modules yet. Is that a problem?

CAUTION: Once Payroll has been closed at year end, do not attempt to record more prior-year activity in payroll. Doing so will corrupt the new year-to-date totals, and taxes will be incorrectly calculated. If prior year entries do need to be made, we've included a special troubleshooting section in this guide that addresses this problem.

For other modules, Spectrum date sensitivity allows you to continue to record prior year transactions for as long as needed. A/P invoices and other transactions show up for some time after the year end. As each module is closed, set the minimum processing date to the New Year and move on to the next module.

Are there any Year End steps I should plan to do for other Spectrum modules?

If the Human Resources module is installed, the Time Off Management screen can be used to revise vacation/holiday/sick account balances.

For information on Year End procedures in other modules, please refer to the Non-Payroll Processing chapter in this help file.

How do I increase the net distribution on cash earnings, such as a bonus, so that tax deductions will not be included in the distribution amount?

Gifts of cash, bonuses, and other cash equivalents can be considered wages for tax purposes, and the employer must withhold and pay all applicable taxes. There may be occasions when

the employer wants to "pick up the tab" for the employee share of payroll taxes. The tax complication arises because the taxes that normally would be an employee liability are treated as additional income to that employee because the employer is paying them. The following formula is an example of how to calculate and record the amount of this payment:

Example:

You want to give Terry a Year End bonus of \$1000. You will pay her portion of Federal income tax (assume 14%), FICA (7.65%) and State income tax (8%). The wages you will need to record and report are calculated as follows: Wage = \$1000/(1 - applicable tax rate)

In this example it is $(1 - (.14 + .0765 + .08)) = \1421.46

The gross pay of \$1421.46 is then recorded in Payroll | Time Card Entry using one of the user-defined pay types of 1, 2, 3 or SA. Make certain that this pay type you have selected is set up with the correct tax effects in Tax Exclusion. Adjustments to the check can be made in Payroll | Check Adjustment Entry to generate the desired net amount.

Year End Mistakes

This section provides answers to common year end mistakes.

I did not perform the Build W-2 Forms before my first payroll in January. What should I do now?

This should not present a serious problem because the Build W-2 Form Update can be run at any time. When performing the update, simply enter 01/01 through 12/31 to include only prior year amounts. Be sure the FICA limits indicated on the starting screen of the build are for last year. Also, because this step is being performed out of order, pay particular attention during the W-2 review process to be sure all employees (including those terminated and deceased) are included.

I did not perform the Year End Update before my first payroll in January. What should I do now?

By not clearing the payroll at year end, certain taxes that contain annual limits (such as FICA, unemployment, and SDI) did not calculate correctly for most employees. The payroll cycle

must be voided and re-issued to correct this problem. Be sure to use the same check date when recording the void cycle, and if multiple cycles must be voided, do each one separately, newest to oldest (01/12 then 01/05). After the void process has been completed, perform the Year End Update to set all employees' year-to-date amounts to zero. You should also review the Year End Checklist to be sure no other year end steps were overlooked. Finally, re-enter the payroll cycle(s), as regular or manual checks. Regardless of whether the miscalculated checks have been provided to employees, the system will require that new check numbers be assigned during this cycle. If checks were already distributed, be sure to record the same deductions and net pay as the original checks issued.

In reviewing the W-2 year end figures, I have determined that some employees did not show up in the file to receive a W-2 at all. What's wrong?

- If the year end steps were performed out of order, it is possible that an employee was purged as part of the Year End Update. In this case, you would manually add the individual back in the **W-2 Form Maintenance** screen.
- An "exempt" employee does not receive a W-2. If the employee's status was set to "exempt" in error, you would manually add the individual to the **W-2 Form Maintenance** screen. (Alternately, if there were no employees purged as part of the year end update, you could re-build the W-2's. Be careful doing this as any changes made in the W-2 Form Maintenance screen will be lost.)

I did not change the tax tables for the New Year, but I have already processed payroll in the New Year. What should I do now?

Void the checks, correct the tax tables, and then re-issue the checks with the correct tax calculations. This method completely corrects the error and ensures that the quarterly and year end reports will be accurate when printed.

I am reviewing a January payroll and the 401(k) deduction didn't show up during the check calculation. The employee was 'over-the-limit' last year, but it should have started deducting again at the beginning of the year. What's wrong?

The **Clear employee balance at year end** check box in the Deduction / Add-on Code Maintenance screen is used to designate whether to clear accumulated balances at year end. It appears as though the 401(k) code's **Clear employee balance at year end** check box was not

selected. Because the new payroll year is already in progress, it would be a mistake to check this box and re-run the update.

- Set up a new 401(k) code and begin using it.
- An additional deduction amount may be taken on the next payroll cycle through editing the deduction code on the check adjustment screen. (Any match amount would need to be added through the employee's recurring deduction screen).

An employee loan paid off last year has started showing up on the employee's check again. It was a recurring deduction that reached the limit months ago. What's wrong?

It could be that the **Clear employee balance at year end** check box on the deduction code was selected, which cleared the accumulated balance at year end. Because the accumulated balance has been erased, the deduction was taken again. This deduction is no longer needed for this employee; simply delete it from the Employee Deduction/Add-on Maintenance screen. If the January payroll in which the amount was deducted on the employee check has been updated, refund the amount using the same code.

Why am I receiving an error message stating: "ERROR- Year End Update must be performed before beginning a pay cycle dated later than <the current year>?"

The **Payroll | Data Entry | Payment Processing | Set New Cycle** screen prohibits users from assigning a check date at the beginning of a new calendar year until after the Year End Update has been performed in order to prevent incorrect tax calculations. If you received the error message above, you still need to perform the Year End Update before you can continue to process payroll.

I need to void a payroll check issued last year. What should I do now?

If you are replacing a check the employee lost, go to the **Payroll | Data Entry | Replacement Check** screen. It is important to use a current date as the replacement check date. This way, both the void and replacement check will post to the current year and wash against one another, thereby creating a net effect of zero in the employee history file for the current year.

If you are voiding a check and not replacing it, or voiding and reissuing with a different amount, it is vital to follow the instructions below to ensure that the W-2 issued and current year payroll records are accurate.

Once the payroll year end has been completed, all transactions recorded during the payroll cycle (payroll check , bonus check , etc.) must be for the New Year. This is because many of the payroll calculations depend upon year-to-date information. If additional prior-year entries are made, the accumulated totals since the Year End Update will be inaccurate. This means that any additional payroll transactions for the prior year cannot be recorded in Spectrum as part of a payroll cycle. To correct the prior year error, transactions entered in the following areas may be required:

- **W-2 Form Maintenance** to correct the employee's W-2 information.
- **General Ledger Journal Entry** to correct liability and expense accounts. If subsidiary ledgers (Job Cost or Equipment Control) are affected, this can be recorded as part of the journal entry.
- Make manual notations (in ink) of changes on affected tax reports, such as **Quarterly Federal Tax Report** and the **Unemployment Tax Report** .

An alternative to the above is to reverse all new transactions, and return the Payroll module to the prior year, but Viewpoint does not recommend this option because it is riskier for a number of reasons. If any payroll cycles have already been updated, all checks issued in the New Year must be voided, then the operator must perform the steps below. A word of caution when voiding: watch check dates very carefully and be sure to void each check as of the same date it was issued. Even if reversing current-year transactions does not present a problem, it is possible that prior-year information has already been purged during year end processing, in which case this solution would also not be advisable.

- Print and retain a copy of the **W-2 Listing** and the **W-2 Forms** (printed on plain paper).
- Please call **(800) 352-8939**, email us at spectrumsupport@viewpoint.com, or chat with a live agent using the [Viewpoint Customer Portal](#) for further information.

When I performed the Build W-2 Forms, I did not enter descriptions for Boxes 12 or 14, and/or other entries are incorrect.

- The safest solution to this problem is to simply enter the changes you would like to make into the **W-2 Form Maintenance** screen. Depending on the nature of the error during the Update, this may present a huge challenge in determining the correct figures.

- A second option would be to perform the **Build W-2 Forms** again, this time setting the prompts correctly. This is a riskier option, if terminated employees or earnings history were purged at year end. Likewise, any changes already made in the **W-2 Form Maintenance** screen would need to be re-done after the update. We recommend you print and retain both the W-2 Listing and a copy of the W-2 forms (printed on plain paper) prior to re-updating. Be sure to refer to the **Build W-2 Forms** screen instructions when performing the Update again.
- If you have terminated or deceased employees in the W-2 file that have been purged, and the **Build W-2 Forms** function has been re-run since the year end purge, you will manually re-enter those W-2 records into the **W-2 Forms Maintenance** screen.

In reviewing the W-2 Year End figures, I have determined that the state wages are not correct. It appears that the Cafeteria/Section 125 or 401(k) deductions were not set up correctly when the payrolls were originally processed. What should I do now?

The figures in the **W-2 Form Maintenance** screen following the update represent the sum of state wages processed during each payroll cycle during the year. If 401(k) or cafeteria/Section 125 tax exempt flags were set incorrectly at any time, this would be the result. Having determined the problem, use the **W-2 Form Maintenance** screen to change these amounts manually. The State, County & Local Quarterly Tax Report and the Deduction History Report will be particularly handy during this process.

For further assistance, contact Spectrum Support at (800) 352-8939 or email spectrumsupport@viewpoint.com.

I have a large figure showing up on the "fractions only" (aka Tax adjustments) line of the Quarterly Federal Tax Report. It's normally just a few cents. What's the problem?

Confirm that the date range used when the report was printed includes three calendar months or less. It cannot successfully be printed for a wider date range because of the three month daily grid on the lower half of the report. If for some reason you wish to print 09/27 to 12/27 (four months: 09, 10, 11, 12), print two reports and simply sum them.

If you are printing this report in January for date ranges last year, it is possible that the report is incorrect because the Federal tax tables, specifically FICA rates and limits, have already been updated for the New Year. If this report needs to be reprinted for the past year, temporarily

return the FICA rates and limits to last year's figures. Remember to reset them to the current year as soon as you are done!

If there is still a large "fractions only" variance after eliminating the above conditions, we recommend you search for the cause by narrowing the date-range of the report. If you are troubleshooting a problem in the 4th quarter, print three monthly 941 reports (October, November, and December). It is likely that the variance will show up primarily on one of the reports. Next, to further narrow the search, print a separate 941 report for each check date in the month of the variance. Once a single week has been identified, use the Wage and Tax History Report and/or the reports printed during the payroll cycle to try to identify the individual entry or entries. Having found the source of the problem, appropriate corrective action can be taken.

I printed my Unemployment Tax Report (FUTA, SUTA) for 2021 and the excess calculation is wrong. What should I do now?

This report provides information on excess calculations computed during each payroll cycle during the specified date range. Therefore, this report may not be correct if limits were adjusted or 'tax effects' of deductions changed during the year. If changes were made, there is a handy Excess Unemployment Report available for use in auditing this problem by recalculating excess amounts based on current settings. This is included as a second format when printing the Unemployment Tax Report.

I printed my Unemployment Tax Report (FUTA, SUTA) and the tax calculation is wrong. What should I do now?

This report provides information on tax liabilities actually accrued during the payroll cycles during the date range specified. These are the amounts that were actually debited to the expense account and credited to the liability account during each payroll cycle. This report does not recalculate the tax based on current settings. Therefore, if the rate has been changed at any time during the period, the tax amounts will not seem to 'multiply across' correctly. To confirm that the rate has been altered, and to identify precisely when the change occurred, reprint this report for a smaller date range. Corrections to these rates are most often recorded sometime in January or during April (as the 1st quarter filing is being prepared). Try to begin the search there.

In comparing the unemployment reports for state (SUTA) and Federal (FUTA), I see that the wages are different. What's wrong?

It may be that nothing is wrong, but this should be investigated. This condition will occur when deductions carry different tax effects for the SUTA and FUTA calculation. The most common example of this is a Cafeteria/Section 125 plan deduction; the wages subject-to FUTA are reduced by any Cafeteria/Section 125 deductions. Your state may not allow a similar exemption. In any event, if your state and 'US' were set up differently for tax effect in the Deduction / Add-on Code Maintenance screen, this would be the result. The Wage and Tax History Report may be helpful because the limits for subject-to wages are defined.

I work in multiple states and the sum of the state (SUTA) reports is greater than my total wages. What's wrong?

It is likely that unemployment was accrued for employees both in the resident and work state at times during the year. Spectrum is parameter-driven for taxable/exempt status on a state-by-state basis. In some cases, it is appropriate to accrue tax in both places, based on lack of reciprocity agreements between states. Other times, it may mean that too much tax was accrued, because unemployment was due to only one of those states. To review this further, select a few employees, printing their unemployment reports for a small date range, and then compare them to the Wage and Tax History Report printed during the payroll cycle(s). This will show unemployment tax accrued for each place, for each employee. Look for instances where a single employee has wages subject to unemployment and tax accrued in two or more states during the cycle. Unemployment is a complex tax area that varies widely across the country, and it is important to discuss specific responsibility with your CPA.

ACA

This section provides answers to common ACA Processing questions.

Which paper forms will Spectrum support?

Form 1095-C is the only form supported. Spectrum will not provide the paper Form 1095B (for small self-insured companies) or the paper transmittal forms, 1094-B and 1094-C.

I have less than 250 employees. Do I still have to file electronically?

Yes. We are not going to provide a paper version of Form 1094-C, which is the transmittal form for Form 1095-C. Instead we are going to offer the file that can be submitted to Nelco directly. This means that everyone will file ACA information electronically.

Why is Spectrum not supporting the 1095-B?

Form 1095-B is only used for organizations with less than 50 full-time and full-time equivalent employees that are also self-insured. This is expected to be such a small group that anyone falling into this category can complete their forms manually using the fill-in PDF forms from the IRS.

What if I don't have HR and am self-insured?

You will be able to import all covered individuals and their information using the Employee Worksheet. Regardless, all self-insured organizations should start now gathering this data.

What if I don't want to file electronically?

You are welcome to file form 1095-B manually, but Spectrum will not create it for you.

Printing Questions

This section provides answers to common questions about printing issues.

What steps should I take to prepare to print W-2, 1099-Misc and 1095-C forms on Spectrum?

The following steps should be taken to prepare for printing year end forms:

1. Confirm that forms have been ordered (unless you are printing the plain-paper format). Preprinted forms are available from <https://store.view-pointforms.com/Store#Category:29833:Spectrum>.
2. Print copies of the **Notice to Employee** if you plan to issue plain-paper W-2s.
3. Review accuracy of W-2 information.
4. Print W-2's on plain paper (to confirm that the printer settings are directed at the correct printer and the figures align in the form).

5. More information on printing W-2, 1099-Misc and 1095 forms are in the following sections:

- W-2: Print W-2 Forms section of Payroll Processing
- 1095-C: Print Forms section of ACA
- 1099-Misc: Print 1095-Misc forms section of Non-Payroll Processing

A blank window displays when I preview the W-2, W-3, or 1099-Misc report. It may have some of the form information on it, but no data is displayed. What can I do?

1. Make sure that there are W-2 forms or 1099-Misc forms to print by verifying that the the Build W-2 Forms or 1099-Misc Form Update were done.
2. Verify that you are logged into the correct company.
3. If you can view a W-2 or 1099-Misc Form on the maintenance screen, but are using selection criteria on the starting screen to select a specific employee, it is possible that you entered the employee code rather than the employee alpha reference (usually the last name). Verify the employee alpha reference in Employees or press **F4** at the **Employee alpha** field to select from a list of valid employee alpha codes.

TIP: You also have the option to preview all of the forms and then select the page number of the employee you want to print by using the from page number / to page number selection available during the printing process.

Does Spectrum print the W-3 form (Transmittal of Wage and Tax Statements) that is submitted with the W-2s?

Yes, Spectrum offers the W-3 form. The **Print W-3** button on the **W-2 Form Maintenance** screen.

The W-2, 1095-C, and 1099-MISC and 1099-NEC forms print our company name, address, and employer tax identification number. Where does this information come from?

The company name and address are stored in the **Company Installation** screen. The employer tax identification number is stored in the main **US Tax Table Maintenance** screen.

For 1099-Misc, you will input the Federal tax ID number in the print starting screen for 1099s. Click **Accounts Payable | Period End | 1099 MISC/NEC Form**, and then click the **Print** button.

Electronic Filing Questions

This section provides answers to questions related to electronic filing.

I am unsure whether we have to file our W-2 or 1099-MISC/NEC information electronically. How do I find out?

Businesses with 250 or more employees are required to use electronic filing to submit W-2 information to the Social Security Administration (SSA). The deadline for filing electronically is January 31, 2022. This filing method requires pre-authorization. If you registered for a User ID and password last year, you may continue to use the same ID if you change your password. Contact the SSA to register for a User ID and password or to change your existing password. Access the SSA website at <http://www.socialsecurity.gov/employer/>. Click on **Business Services Online**.

Note Regarding System Requirements:

View the Electronic W-2 filing System Requirements on the SSA website here: <https://www.ssa.gov/employer/bsohbnew.htm>. Contact Social Security directly for assistance. For help with annual wage reporting or registration for annual wage reporting, call Employer Reporting Assistance at: 1-800-772-6270 (Monday – Friday 7:00 a.m. to 7:00 p.m. Eastern Time). Or call Business Services Online Technical Assistance at: 1-888-772-2970 (Monday – Friday, 8:30 a.m. to 4:00 p.m. Eastern Time). Electronic filing is required when issuing 250 or more 1099-MISC/NEC forms. Pre-authorization is required from the Internal Revenue Service (IRS) to use electronic filing methods. Once you receive approval, you do not need to apply again.

Check with your CPA, the IRS, or the SSA if you have further questions regarding electronic filing.

I don't file more than 250 W-2s. Can I still file electronically?

Yes. Either use Spectrum and follow the steps above, or check out the “W-2 Online: An Electronic Filing Option for Small Businesses” found on

<http://www.socialsecurity.gov/employer/>. Select **Business Services Online** and register. This is an option provided by the SSA for small business that allows you to prepare and submit up to 20 W-2s (per report) over a secure Internet service. At this site, you can print W-2s for your employees and your records, receive electronic receipts you can use as proof you filed on time, and you have until January 31, 2022 to file.

Where can I get details about the EFW2 file format?

From the Social Security Administration (SSA) Web site <http://www.socialsecurity.gov/employer/>, click the **Forms & Publications** option. Next, click the **EFW2** option. This will display printable pages of the file format.

What steps can I take to help ensure my electronic W-2 file complies with the EFW2 format for tax year 2021?

In your Internet browser, access the Social Security Administration's Web site at <http://www.ssa.gov/employer/accuwage/>.

NOTE: Both Address fields must be completed, even if the same address is used twice, or you will receive an error message when you run your AccuWage test.

This software identifies many, but not all, wage submission errors. The likelihood of having your submission rejected, though not eliminated, is greatly reduced when you use this software. If you need assistance with AccuWage, please use the contact information on the SSA's website. Please do not contact Viewpoint Support because we do not provide or support this functionality.

Can I use Spectrum to prepare an electronic W-2 filing for my state or local tax jurisdiction?

Some states and local tax jurisdictions will accept the EFW2 format; however, arrangements and approval for reporting to state or local taxing agencies must be made with each individual state or local tax agency. The SSA and IRS do not transfer or process the state record data. Please check with your state or local taxing office to determine if they will accept the EFW2 format.

Spectrum can print state W-2s and produce the W-2 electronic file if your state follows standard Federal guidelines. If the state you are filing with varies from standard Federal guidelines,

there are other options, including using Nelco, with whom Viewpoint has partnered to support state filing. Please see the **Payroll Processing** chapter, section titled **Supplemental Instructions for State filing with the EFW2**, in this help file for more detail on your options and the steps to follow.

Do I need to modify the format of my employees' names for electronic filing?

The EFW2 record format requires that employees' names be separated into first, middle, and last names. Spectrum automatically does this separation when the employee is entered. If the employee has had a name change during the year, verify the correct name will print by going to **Payroll | Employees**. Use the drop down at the employee name to verify first, middle and last.

I can't find my W-2 electronic file. Where has it been created?

Different web browsers download files from Spectrum in different ways (refer to the appendix's browser configuration documents. They have more information on download settings.). It is important to note that browsers are constantly updated and you may need to refer to your browser's Help Files for the latest information.

The AccuWage guide indicates my employee's name isn't correctly identified. What's wrong?

The EFW2 record format, used for electronic filing, requires that employee names be entered as shown on the employee's social security card (first name, middle name, or middle initial, last name, suffix). Do not include any titles or academic degrees, such as Dr., R.N., or Ph.D. at the beginning or end of the employee's name. Because the Build W-2 Forms has already been performed, use the **W-2 Form Maintenance** screen to make corrections as needed.

You can make any changes needed for next year now. Depending on what needs to be corrected and how many corrections need to be made, there are two options to do this in Payroll | Employees. Please review each of the following options to decide which option fits your needs.

To change existing employee names, complete the following steps.

1. Click **Payroll | Employees**. Enter or select an employee.
2. Click the drill-down icon next to the employee's name. The **Employee Name Detail** window displays.

3. Make any required changes in the **First, Middle, Last** or **Suffix** fields.
4. Click **OK** to save your changes.

Additional help with AccuWage files can be found through the [SSA website](#).

Third Party Sick Pay

If third-party sick pay is deemed taxable to the company and subject to employer paid FICA, FUTA and SUTA limits, there are two options to record this information.

There may be state, county or local tax rules that will modify this procedure. Please consult with your outside CPA before continuing.

Pen and Paper Adjustment: Determine the amount of employer paid FICA, FUTA and SUTA and make a manual journal entry to record these additional payroll taxes. Make manual adjustments to your payroll reports as needed each quarter.

Note: The Quarterly Federal Tax Report (941) would show an adjustment for "third party sick pay" in the amount of the employer FICA liability. This is the recommended method.

Enter Manual Checks into Spectrum: In this option, manual checks will be entered in to record the tax liabilities. The following steps outline this process:

1. Click **Payroll | Maintenance | Worker's Compensation**. Set up a third party sick pay worker's compensation code for any state involved in third party sick pay.
Note: This does not include sick pay in the workers' compensation calculation; the tax rate for this workers' compensation code would be zero.
2. Click **Payroll | Maintenance | Department Expense**. Set up a third party sick pay department.
3. Click **System Administration | Installation | Payroll**, select the **G/L Codes** tab and change the cash G/L account code to the clearing account used in the Third Party Sick Pay payroll department.
4. If Cash Management module is present, on the **System Administration | Installation | Cash Management** screen, click **Bank Accounts** and deselect the option to post payroll transactions.

5. Set up a separate pay cycle to record third party sick pay checks using the applicable period end and check dates. Make sure the Automatic cycle and accrue hourly banks are unchecked, select **Turn off auto deposit payments**. Select the **Suppress all in the Recurring deductions and add-ons** check box.
6. Enter Manual Check time cards for only third party sick pay in this pay cycle using the 'SA' pay type, the Third Party Sick Pay Department and entering the gross amount of the pay. If the employee belongs to a union, remove the wage code and union from the time card file.

NOTE: If you are already using the SA pay type for another purpose, please use the Other 1, 2 or 3 pay type instead. The Description setup for these are at **System Administration | Installation | Payroll | Properties** tab.
7. Calculate the pay cycle.
8. Use **Check Adjustment Entry** to zero out employee paid withholdings and deductions and click **Save**.
9. Return to Calculation Reports and review the **State Wage and Tax Listing** to verify that only employer paid FICA, FUTA, SUTA and other local taxes that are subject to sick leave have been accrued and that all employee paid withholding is zero. Archive reports for your records.
10. Update the pay cycle as normal.
11. Return to the **Payroll Installation** screen to change the cash account back to the cash G/L account code.
12. Turn the **Cash Management** module back on (if you turned it off in step 5).
13. A journal entry will be necessary to move the total of the employers' FICA amount to the clearing account. An alternative to this entry is to change the employer **FICA G/L account code** in **Tax Table File Maintenance**, and then change it back after this payroll cycle is updated.

How do I produce a separate W-2 for third party sick pay?

IMPORTANT: It is not mandatory that a separate W-2 be created for third party sick pay. The IRS indicates that it is an option.

You can use the existing W-2 to report the third party sick pay by editing the existing W-2 for this employee in the W-2 Form Maintenance screen and adding the amounts to the appropriate boxes to report the third party sick pay.

If you want to create a new W-2 for third party sick pay, note that it will be vital to follow the instructions below to ensure the extra W-2 will be included on the W-2 electronic filing for the SSA:

1. Add the additional W-2 to report third part sick pay separately from regular wages in the **W-2 Form Maintenance** screen with an employee code that is different from the existing Spectrum employee code.
2. Leave the **Form ID** field blank.
3. Continue entering amounts in the applicable boxes of the W-2 to report the third party sick pay. By using a different employee code, the blank **Form ID** field will allow this extra W-2 to be written to the W2REPORT file, which is created when you click the **Electronic** button.

Appendix - Related PDFs

Notice to Employee

Do you have to file? Refer to the Instructions for Forms 1040 and 1040-SR to determine if you are required to file a tax return. Even if you don't have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC). You may be able to take the EIC for 2021 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You can't take the EIC if your investment income is more than the specified amount for 2021 or if income is earned for services provided while you were an inmate at a penal institution. For 2021 income limits and more information, visit www.irs.gov/EITC. See also Pub. 596, Earned Income Credit. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

Employee's social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, your employer has reported your complete SSN to the IRS and SSA.

Clergy and religious workers. If you aren't subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

Corrections. If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but aren't the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 800-772-1213. You may also visit the SSA website at www.SSA.gov.

Cost of employer-sponsored health coverage (if such cost is provided by the employer). The reporting in box 12, using code DD, of the cost of employer-sponsored health coverage is for your information only. **The amount reported with code DD is not taxable.**

Credit for excess taxes. If you had more than one employer in 2021 and more than \$8,853.60 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$5,203.80 in Tier 2 RRRA tax was withheld, you may also be able to claim a credit. See the Instructions for Forms 1040 and 1040-SR and Pub. 505, Tax Withholding and Estimated Tax.

(See also *Instructions for Employee* on the back of Copy C.)

Instructions for Employee

(See also *Notice to Employee* on the back of Copy B.)

Box 1. Enter this amount on the wages line of your tax return.

Box 2. Enter this amount on the federal income tax withheld line of your tax return.

Box 5. You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Instructions for Forms 1040 and 1040-SR to determine if you are required to complete Form 8959.

Box 6. This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips shown in box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above \$200,000.

Box 8. This amount is **not** included in box 1, 3, 5, or 7. For information on how to report tips on your tax return, see the Instructions for Forms 1040 and 1040-SR.

You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove with adequate records that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. Use Form 4137 to figure the social security and Medicare tax owed on tips you didn't report to your employer. Enter this amount on the wages line of your tax return. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

Box 10. This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to figure any taxable and nontaxable amounts.

Box 11. This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan, or (b) included in box 3 and/or box 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box shouldn't be used if you had a deferral and a

distribution in the same calendar year. If you made a deferral and received a distribution in the same calendar year, and you are or will be age 62 by the end of the calendar year, your employer should file Form SSA-131, Employer Report of Special Wage Payments, with the Social Security Administration and give you a copy.

Box 12. The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB, and EE) under all plans are generally limited to a total of \$19,500 (\$13,500 if you only have SIMPLE plans; \$22,500 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$19,500. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2021, your employer may have allowed an additional deferral of up to \$6,500 (\$3,000 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last 3 years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the Instructions for Forms 1040 and 1040-SR.

Note: If a year follows code D through H, S, Y, AA, BB, or EE, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

A—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040 or 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

B—Uncollected Medicare tax on tips. Include this tax on Form 1040 or 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

C—Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to the social security wage base), and 5)

D—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

E—Elective deferrals under a section 403(b) salary reduction agreement

(continued on back of Copy 2)

Instructions for Employee *(continued from back of Copy C)*

Box 12 *(continued)*

- F**—Elective deferrals under a section 408(k)(6) salary reduction SEP
- G**—Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan
- H**—Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See the Instructions for Forms 1040 and 1040-SR for how to deduct.
- J**—Nontaxable sick pay (information only, not included in box 1, 3, or 5)
- K**—20% excise tax on excess golden parachute payments. See the Instructions for Forms 1040 and 1040-SR.
- L**—Substantiated employee business expense reimbursements (nontaxable)
- M**—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.
- N**—Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.
- P**—Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces (not included in box 1, 3, or 5)
- Q**—Nontaxable combat pay. See the Instructions for Forms 1040 and 1040-SR for details on reporting this amount.
- R**—Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.
- S**—Employee salary reduction contributions under a section 408(p) SIMPLE plan (not included in box 1)
- T**—Adoption benefits (not included in box 1). Complete Form 8839, Qualified Adoption Expenses, to figure any taxable and nontaxable amounts.
- V**—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to the social security wage base), and 5). See Pub. 525, Taxable and Nontaxable Income, for reporting requirements.
- W**—Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).

Y—Deferrals under a section 409A nonqualified deferred compensation plan

Z—Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See the Instructions for Forms 1040 and 1040-SR.

AA—Designated Roth contributions under a section 401(k) plan

BB—Designated Roth contributions under a section 403(b) plan

DD—Cost of employer-sponsored health coverage. **The amount reported with code DD is not taxable.**

EE—Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

FF—Permitted benefits under a qualified small employer health reimbursement arrangement

GG—Income from qualified equity grants under section 83(i)

HH—Aggregate deferrals under section 83(i) elections as of the close of the calendar year

Box 13. If the “Retirement plan” box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct. See Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Box 14. Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy’s parsonage allowance and utilities. Railroad employers use this box to report railroad retirement (RRTA) compensation, Tier 1 tax, Tier 2 tax, Medicare tax, and Additional Medicare Tax. Include tips reported by the employee to the employer in railroad retirement (RRTA) compensation.

Note: Keep **Copy C** of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help **protect your social security benefits**, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year.

Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provisions in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer, it is not required to furnish you a Form 1095-C providing information about the health coverage it offered.

In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III, provides information about you and your family members who had certain health coverage (referred to as "minimum essential coverage") for some or all months during the year. If you or your family members are eligible for certain types of minimum essential coverage, you may not be eligible for the premium tax credit.

If your employer provided you or a family member health coverage through an insured health plan or in another manner, you may receive information about the coverage separately on Form 1095-B, Health Coverage. Similarly, if you or a family member obtained minimum essential coverage from another source, such as a government-sponsored program, an individual market plan, or miscellaneous coverage designated by the Department of Health and Human Services, you may receive information about that coverage on Form 1095-B. If you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.



Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.

Additional information. For additional information about the tax provisions of the Affordable Care Act (ACA), including the individual shared responsibility provisions, the premium tax credit, and the employer shared responsibility provisions, visit www.irs.gov/ACA or call the IRS Healthcare Hotline for ACA questions (800-919-0452).

Part I. Employee

Lines 1–6. Part I, lines 1 through 6, reports information about you, the employee.

Line 2. This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the employer is required to report your complete SSN to the IRS.

Part I. Applicable Large Employer Member (Employer)

Lines 7–13. Part I, lines 7 through 13, reports information about your employer.

Line 10. This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form or to report errors in the information on the form and ask that they be corrected.

Part II. Employer Offer of Coverage, Lines 14–17

Line 14. The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. (If you received an offer of coverage through a multiemployer plan due to your membership in a union, that offer may not be shown on line 14.) The information on line 14 relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, see Pub. 974.

1A. Minimum essential coverage providing minimum value offered to you with an employee required contribution for self-only coverage equal to or less than 9.5% (as adjusted) of the 48 contiguous states single federal poverty line and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year. For information on the adjustment of the 9.5%, visit IRS.gov.

1B. Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).

1C. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.

1D. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).

1E. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

1F. Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or you, your spouse, and dependent(s).

1G. You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the *All 12 Months* box or in the separate monthly boxes for all 12 calendar months on line 14.

1H. No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage).

1I. Reserved for future use.

1J. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage NOT offered to your dependent(s).

1K. Minimum essential coverage providing minimum value offered to you; minimum essential coverage conditionally offered to your spouse; and minimum essential coverage offered to your dependent(s).

1L. Individual coverage health reimbursement arrangement (HRA) offered to you only with affordability determined by using employee's primary residence ZIP code.

1M. Individual coverage HRA offered to you and dependent(s) (not spouse) with affordability determined by using employee's primary residence ZIP code.

1N. Individual coverage HRA offered to you, spouse, and dependent(s) with affordability determined by using employee's primary residence ZIP code.

1O. Individual coverage HRA offered to you only using the employee's primary employment site ZIP code affordability safe harbor.

1P. Individual coverage HRA offered to you and dependent(s) (not spouse) using the employee's primary employment site ZIP code affordability safe harbor.

1Q. Individual coverage HRA offered to you, spouse, and dependent(s) using the employee's primary employment site ZIP code affordability safe harbor.

1R. Individual coverage HRA that is NOT affordable offered to you; employee and spouse or dependent(s); or employee, spouse, and dependents.

1S. Individual coverage HRA offered to an individual who was not a full-time employee.

1T. Individual coverage HRA offered to employee and spouse (no dependents) with affordability determined using employee's primary residence ZIP code.

1U. Individual coverage HRA offered to employee and spouse (no dependents) using employee's primary employment site ZIP code affordability safe harbor.

1V. Reserved for future use.

1W. Reserved for future use.

1X. Reserved for future use.

1Y. Reserved for future use.

1Z. Reserved for future use.

(Continued on page 4)

Instructions for Recipient *(continued)*

Line 15. This line reports the employee required contribution, which is the monthly cost to you for the lowest cost self-only minimum essential coverage providing minimum value that your employer offered you. For an individual coverage HRA, the employee required contribution is the excess of the monthly premium based on the employee's applicable age for the applicable lowest cost silver plan over the monthly individual coverage HRA amount (generally, the annual individual coverage HRA amount divided by 12). See the Instructions for Forms 1094-C and 1095-C for more details. The amount reported on line 15 may not be the amount you paid for coverage if, for example, you chose to enroll in more expensive coverage such as family coverage. Line 15 will show an amount only if code 1B, 1C, 1D, 1E, 1J, 1K, 1L, 1M, 1N, 1O, 1P, 1Q, 1T, or 1U is entered on line 14. If you were offered coverage but there is no cost to you for the coverage, this line will report "0.00" for the amount. For more information, including on how your eligibility for other healthcare arrangements might affect the amount reported on line 15, visit IRS.gov.

Line 16. This code provides the IRS information to administer the employer shared responsibility provisions. Other than a code 2C, which reflects your enrollment in your employer's coverage, none of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, visit IRS.gov.

Line 17. This line reports the applicable ZIP code your employer used for determining affordability if you were offered an individual coverage HRA. If code 1L, 1M, 1N, or 1T was used on line 14, this will be your primary residence location. If code 1O, 1P, 1Q, or 1U was used on line 14, this will be your primary employment site. For more information about individual coverage HRAs, visit IRS.gov.

Part III. Covered Individuals, Lines 18–30

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (d) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 13 covered individuals, additional copies of page 3 may be used.

Electronic Filing Instructions for States with Different W-2 Forms

The states listed below require an electronic file format that differs from the basic Federal EFW2 electronic filing specifications. To the best of our knowledge, the state-specific variations are those listed below. Please contact the individual taxing authority of each state you are filing in for information on the current electronic filing specifications.

Spectrum's electronic file export uses the basic formatting of the Federal EFW2 specifications. Viewpoint's Spectrum Support team is not able to assist with modifying an electronic file for state-specific formats. You may contract with Technical Services or Professional Services for that assistance, or an outside consultant.

Alabama:

Requires 4 rows in the RS record for each employee that are optional/not applicable in the Federal EFW2 specifications.

These are:

Field 248-257. Your State EIN number. Alabama doesn't want it zero filled.

Field 298-307. Federal Tax Withheld. This is optional in the Federal EFW2 specifications.

Field 338-348. Misc Income Field. This is optional "Supplemental Data" in the Federal EFW2 specifications.

Field 393-396. Payment year field. This is optional "Supplemental Data" in the Federal EFW2 specifications.

Because of the time to manually modify each of these in each employee's RS record in the W2Report file using Notepad, we recommend Technical Services create the Alabama electronic file for you.

Colorado:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Connecticut:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Georgia:

Requires a carriage return character at the end of each RS record. This is optional in Federal specifications.

Idaho:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Maryland:

Requires a carriage return character at the end of each RS record. This is optional in Federal specifications.

Minnesota:

Requires the "number of RW records" in the RT record must match the actual count for the employee.

RS Record Location 248-267 State Employer Tax ID is left justified. Leading zeros will need to be removed, add spaces to the end to maintain field length.

Mississippi:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Requires a date in spaces 197-202 of each RS record. The field is 6 digits and formatted as "period end and year", so entering 122012 for 2012 is successful.

RW record field 88-109 cannot be blank. This field is the delivery address for the employee.

RW record field 265-275 must be blank. Replace zeros with blanks.

RS record field 95-116 cannot be blank. This field is the delivery address for the employee.

RS record field 225-226 must be numeric. This is "number of weeks worked" and relates to state unemployment.

Nebraska:

Requires additional information in the RV record.

Location 1-2 RV

Location 3-9 Total RS records for Nebraska

Location 10-24 Total Taxable wages for Nebraska

Location 25-39 Total Nebraska income tax withheld

Location 40-512 Leave blank

North Carolina:

Requires a carriage return after the 512th position on each line.

Requires a Software Vendor Code in positions 20-23 of the RE record. This is optional in the Federal specifications, and Viewpoint does not have a Software Vendor Code.

Oregon:

Requires additional information in the RV record.

Location 1-2 RV

Location 3-9 Total RS records for Oregon

Location 10-24 Total Taxable wages for Oregon

Location 25-39 Total Oregon income tax withheld

Location 40-512 Leave blank Pennsylvania:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Requires the employers 8-digit state employer ID inserted in positions 505-512 on the RE record.

South Carolina:

Requires a date in spaces 197-202 of each RS record. The field is 6 digits and formatted as "period end and year", so entering 122011 for 2011 is successful.

Vermont:

Requires a carriage return character at the end of each record. This is optional in Federal specifications.

Location 248-267 RS record State Employer Tax ID is left justified. Leading zeros will need to be removed, add spaces to the end to maintain field length.

West Virginia:

Location 248-267 RS record State Employer Tax ID is left justified. Leading zeros will need to be removed, add spaces to the end to maintain field length.

Wisconsin:

Location 248-267 RS record State Employer Tax ID (15 digits) is left justified. Leading zeros will need to be removed, add spaces to the end to maintain field length.

After creating the W2REPORT for your state, open it in Notepad and modify the file per the states' requirements.