

IOI® @ Your Service

A Publication of Interlogic Outsourcing, Inc.

Introducing **IOI ESS** 2.0 *Employee Self Service*

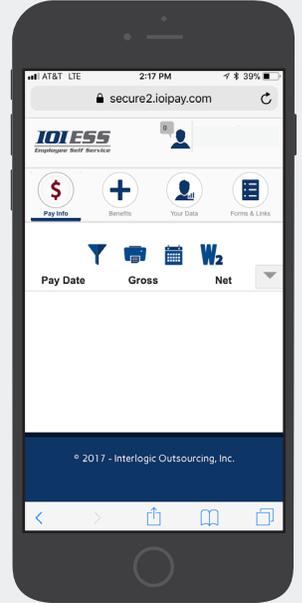
WINTER 2017
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IOI® is excited to announce that ESS 2.0 for IOIPay® is now available, by request, to all IOI clients! ESS 2.0 includes a new appearance and expanded capabilities. A great enhancement is ESS 2.0 allows employees to reset their own password anytime via email.

Additional highlights of ESS 2.0 include:

- › Administrators no longer have to accept pending logins before the employee can use the system
- › Administrators can also manage registrations/revocations in ESS as well as IOIPay
- › Utilizing a valid email address, employees now have the ability to reset their password 24/7
- › Administrators can add forms and links for employees to access
- › Employees can add a date range for viewing/printing pay stubs
- › Administrators can send registration during the new hire process, rather than having the employees wait for their first pay stub

More information can be found online at www.ioipay.com,
by phone at 888.697.0021, or by emailing salesinfo@ioipay.com.



Message from the President



As 2017 comes to a close, we continue to embrace the changes in our industry. This year, we launched a brand new ESS 2.0 application offering ease of use and improved proficiency for both employers and their employees. The release of ESS 2.0 is one of many steps towards our goal of making IOI the one-stop resource for all of your Human Capital Management needs.

In this edition, you will find valuable information regarding compliance, tax filing tips, and limits and deadlines that are updated annually.

Please take time to view our complimentary year end seminar and use this publication as a resource to prepare you for successful year end processing.

We are proud to continue to receive industry recognition for our cloud-based payroll product and client dedication. In addition to receiving the 2017 Bronze Award from TopTenReviews, IOIPay was recognized by the CIO Bulletin as one of the 30 Most Innovative Companies and received the Technology award from Elkhart County's Junior Achievement of Northern Indiana.

As we look forward to 2018, we thank you for your continued business and look forward to advancing the innovation of our products and services, seeking better ways to serve you.

We remain @ your service, and wish you a Happy Holiday Season!

Sincerely,
Najeeb A. Khan, President & CEO



Year End Seminar

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Year End Checklist

- Verify that employee names and SSNs match their Social Security card
- Confirm the following information you have on file with IOI is correct:
 - Federal ID number
 - Business name and address
 - All earnings and deductions for applicable W-2 codes
 - State withholding account numbers
- Send in your new State UC rate changes and updates for 2018
- Report all manual and voided paychecks for 2017 on or before the last payroll
- Monitor employees reaching the FICA maximum \$127,200 for 2017 if you will be calculating taxes for manual checks.
- Record Third Party Sick (TPS) payments
- Review employee pension codes for W-2s
- Report all additional earnings that should be noted on the 2017 W-2 prior to or with your last 2017 payroll run, such as:
 - Taxable fringe benefits
 - Moving allowances
 - Group term life
 - Auto allowances
 - HSA company contributions
 - Other compensations
- Schedule any bonuses needed for 2017 year end as well as any special reports needed
- Do not open a 2018 payroll until you know you are finished processing everything for 2017. The cut off for processing final 2017 payrolls and adjustments is December 27. (Please check with your HR Department in case they have an earlier cut off for you.) Anything established for 2017 submitted after this date will be done as W-2Cs with fees applicable.

2017 Year End Seminar

IOI offers complimentary year end planning sessions for all current clients. These General Sessions cover topics such as:

- Compliance
- Tax Updates
- Year End Cut Off Dates
- The New IOIPay ESS 2.0 Application

To view a recording of the 2017 Year End Seminar please log in to the IOIPay® Learning Center. For more information, please call (888) 697-0021 or email yearend@ioipay.com.

2018 ACA Reporting Deadlines* (The Patient Protection and Affordable Care Act)

January 31, 2018

1095-C Employee Fulfillment;
Employer provides 1095-C to applicable employees

February 28, 2018

Paper filing with IRS;
Employer files 1094-C and 1095-C Forms with the IRS

March 31, 2018

Electronic filing with IRS;
Employer files 1094-C and 1095-C Forms with the IRS

** No indication of extension for 2017 Reporting Year.*

2018 HSA Limits (Health Savings Account)

Max Contribution Levels

Individual, Self-Only Coverage: \$3,450

Family Coverage: \$6,900

Catch up Contribution (over 55): \$1,000

2018 Rates & Limits

	Wage Base	Rate	Amount
Social Security	\$128,400**	6.2%	\$7,960.80
Medicare	≤ \$200,000	1.45%	\$2,900
	> \$200,000	2.35%	Unlimited
401(k) 403(b) 408(k) 457(b)	\$18,500+\$6,000 = Over 50		
408(p)	\$12,500+\$3,000 = Over 50		

** Please note that on November 27, the Social Security Administration lowered the originally adopted 2018 Social Security (SS) wage base limit to \$128,400 (from \$128,700 announced October 13). Any handout materials posted or printed by IOI prior to November 27 would include information about SS wage base announced in October. Please disregard these old limits.

Compliance & Tax Alerts

The material on this page is provided for informational purposes only and not intended to provide legal or business advice. Readers should consult with their own legal or business advisors to determine requirements and how to comply.

Tax Reform and Income Tax Wage Withholding

Federal income tax wage withholding may need to be adjusted if the changes proposed in the Tax Cuts and Jobs Act (H.R. 1) are passed. Most notably, in addition to changes in tax rates and eliminating the tax-free treatment of many employer-provided benefits, the Act would eliminate the deduction for personal exemptions and nearly double the standard deduction for each filing status. These changes would require modifications to federal and state allowance certificates and could create substantial differences between federal and state income tax wage withholding calculation methods.

Proposed Regulations for Shortened SSNs on Forms W-2

The IRS issued Proposed Regulations that would allow employers to voluntarily shorten employees' Social Security Numbers ("SSN") on copies of Forms W-2, Wage and Tax Statement, that are furnished to employees. Under these rules, employers would be permitted to replace the first five digits of the nine-digit SSN with asterisks or X's, creating a Truncated Taxpayer Identification Number, or TTIN. This initiative is meant to combat identity theft. Copies of Form W-2 submitted by an employer to the Social Security Administration, IRS, individual states, and localities will still need to contain employees' full SSNs for identification purposes. Final Regulations on these rule changes are expected to be effective for Forms W-2 to be issued after December 31, 2018, allowing states time for preparing to process copies of Forms W-2 with TTINs accompanying state individual income tax returns.

Payroll Tax Credit for Increasing Research Activities

Small businesses with gross receipts of less than \$5 million a year may benefit from a payroll tax credit for increasing research activities. A qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the employer's share of social security tax. The portion of the credit used against the employer's share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. *IOI* will be glad to assist you in reporting your payroll research credit on Form 941.

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

The 21st Century Cures Act, enacted in December 2016, introduced a new type of health care arrangement for small employers and their employees that receives some preferential tax treatment. It is called the Qualified Small Employer Health Reimbursement Arrangement ("QSEHRA"). Generally, under a QSEHRA, an employer will reimburse an employee's medical expenses, including individual health insurance premiums, and this reimbursement will not be included in the employee's gross income. In order to qualify as a QSEHRA, certain criteria must be met, including, but not limited to:

- The employer cannot have employed an average of at least 50 full-time employees, including full-time equivalent employees, in the prior calendar year.
- The employer cannot be offering a group health plan to any of its employees.
- The QSEHRA must be funded solely by the employer, and no employee salary reduction contributions may be made under the arrangement.
- The employee's health insurance coverage must meet minimum essential coverage requirements.
- Employer contributions must be limited to \$4,950 in 2017 and \$5,050 in 2018 for single coverage and \$10,000 in 2017 and \$10,250 in 2018 for family coverage.

The employer must report the amount of payments and reimbursements that an eligible employee is entitled to receive from the QSEHRA for the calendar year in box 12 of Form W-2 using code FF.

The IRS recently released Notice 2017-67, Qualified Small Employer Health Reimbursement Arrangements, which addresses many questions about QSEHRAs.

Changes to Form EEO-1 Put on Hold

Planned changes to Form EEO-1, the Employer Information Report, introduced by the Equal Employment Opportunity Commission ("EEOC") in 2016 were halted by the Office of Management and Budget ("OMB") in August. These changes, which were set to go into effect on March 31, 2018, would have required employers with 100 or more employees and certain federal contractors to include summary pay data in their EEO-1 report. The OMB, which had originally accepted the changes, reconsidered the costs and benefits of the proposed pay-reporting requirement after business groups and members of the current administration questioned the value of the requirement.

Did You Know...

IOI is on Social Media?

Look for *IOI*® on Facebook, LinkedIn, YouTube, and @ioi_pay on Twitter today, to keep up on current payroll and HR happenings.



Questions...

About our products and services?

For more information, contact an *IOI* sales representative today! Call 888.697.0021, e-mail salesinfo@ioipay.com or visit us at www.ioipay.com



IOI[®] Featured Ancillary Product: *Labor Law Posters*



Receive Mandatory Posting Requirements and All Updates

In 2016, there were over 40 mandatory state labor law posting changes - not including the 49 mandatory state posting changes from January to July 2017. Are you compliant?

IOI offers a simple solution to keep you compliant with state & federal labor law postings. You can choose from one of the following services:

› **Option 1: E-Update Service**

When a mandatory change occurs for state or federal labor law posting requirements, we will automatically email you an updated ready-to-print posting. In addition, you will receive an updated All-In-One State & Federal Labor Law Poster every year on the anniversary of your subscription.

› **Option 2: Poster Replacement Solution**

When a mandatory change occurs in state or federal labor law posting requirements, we will automatically ship an updated All-In-One State & Federal Labor Law Replacement Poster to you.

› **Option 3: Poster Purchase Solution**

Purchase updated all-in-one state & federal labor law posters as needed

**For more information or for pricing, contact an *IOI* sales representative today!
Call 888.697.0021, email salesinfo@ioipay.com or visit us at ioipay.com.**

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