

The end of 2011 is quickly approaching. Completing this form now will help ensure that we process your year-end payrolls and filings accurately and on time. **Please see the back of this form for additional information.**

Employee List with Social Security Numbers

- ☐ I would like to receive a free Employee List with SSNs report to verify my employees' Social Security numbers. (For security reasons, an ADP representative will contact you to discuss your preferred delivery method.)

Your Company Information

Branch/Client Code: _____ Company Name: _____

Contact Name: _____ Phone Number: _____

Section 1

► Fringe Benefits

Please indicate any fringe benefit(s) and taxing option(s) you will report below:

- ☐ Automobile fringe benefits for personal use of a company car. Withhold all taxes. (AUTO)
- ☐ Fully taxable fringe benefits. Withhold all taxes. (FNG1)
- ☐ Fully taxable fringe benefits. Withhold FICA (Social Security/Medicare) only. Report federal/state wages on W-2s. (FNGR)
- ☐ Non-taxable fringe benefits. Do not withhold taxes or report benefits on W-2s. (NTAX)

Section 2

► Qualified Pension and Retirement Plans

A response is only required in this section if your qualified pension plan is 100% company-funded. If so, please check the appropriate box:

- ☐ All of my employees are covered by our company-funded pension plan.
- ☐ Some of my employees are covered by this plan. (Please attach a list of employees.)

If you have employees who make contributions through payroll to any deferred compensation plan, ADP automatically completes Form W-2 with the required information.

Section 3

► Group Term Life (GTL) Insurance Premiums

If you will be reporting GTL insurance premiums, indicate how they should be taxed:

- ☐ Withhold FICA (Social Security/Medicare) only. Report federal and state wages on W-2s. (INSP)
- ☐ Withhold all taxes. (INS2)

Section 4

► S-Corporation Health Insurance

If you will be reporting S-Corporation health insurance, check the applicable taxing option:

- ☐ Fully taxable for federal income tax, FICA (Social Security/Medicare) and most states. (SCRF)
- ☐ Only taxable for federal income tax and most states. (SCRJ)

New Jersey S-Corporation Employers only

- ☐ Only taxable for federal income tax. (SCRJ)
- ☐ Taxable for federal income tax and FICA (Social Security/Medicare). (SCRN)

Instructions for Completing the Year-End Reply Form

ACTION REQUIRED BY November 11, 2011

As the end of 2011 approaches, it is important that you verify that your account and employee information is accurate and arrange for special processing, if needed. After submitting this form, you must report these items with one of your remaining regular payrolls with a 2011 check date to ensure your employees have sufficient pay from which to withhold taxes. If you require assistance with reporting regulations for these items, please contact your accountant.

IMPORTANT

You may require the following reports to complete this form. Refer to your Checklist (page 4) to learn more about where you can find these reports.

- **Master List**
- **Quarterly Tax Verification Notice**
- **Statement of Deposit**

Section 1 Fringe Benefits

Sometimes the value of some non-cash fringe benefits must be considered income to employees and must be reported on Form 941 (or 944 if applicable) and employees' W-2s. Taxable fringe benefits are included as wages, making them subject to federal income tax, FICA (Social Security/Medicare), federal unemployment (FUTA), and possibly state income tax and unemployment insurance (based on state regulations). Taxable fringe benefits may include:

- Personal use of company automobiles
- Personal flights on employer-provided aircraft
- Employer-provided vacations
- Some gifts

For EasyPayNet clients

Find easy-to-use instructions on entering additional wage information with a payroll at <http://adp.com/small-business-services/client-support/year-end-central.aspx>.

Though the IRS has issued regulations defining taxable fringe benefits, the tax on these benefits varies by each company's interpretation of the law.

Section 2 Qualified Pension and Retirement Plans

A response is only required in this section if your qualified pension plan is 100% company-funded.

The SSA requires that employees' W-2s reflect active participation in a retirement plan or a simplified employee pension plan during any part of the year. If you have employees who make contributions through payroll to any deferred compensation or associated catch-up plan, ADP automatically completes Form W-2 with the required information. These include:

- 401(k)
- 403(b)
- 408(k)
- 457(b)
- 501(c)
- Roth 401(k)
- Roth 403(b)
- Roth 457(b)
- Roth SIMPLE 401(k)
- SIMPLE 401(k)
- SIMPLE IRA

Section 3 Group Term Life (GTL) Insurance Premiums

When you pay premiums on GTL insurance for an employee, premiums for coverage in excess of \$50,000 are subject to FICA (Social Security/Medicare) withholding and must be reported with a payroll before the end of 2011.

Section 4 S-Corporation Health Insurance

The cost of premiums for accident and health insurance coverage provided by an S-Corporation to its 2% shareholder-employees must be reported as income on Form 941 (or 944 if applicable) and Form W-2.

Your Company Information

Branch/Client Code: _____ Company Name: _____

Contact Name: _____ Phone Number: _____

Section 5

► Other Miscellaneous Income/Tax Credits

Check the items that you will be reporting at the end of the year:

- | | |
|---|---|
| <input type="checkbox"/> Allocated Tips | <input type="checkbox"/> Uncollected FICA (Social Security/Medicare) on Tips |
| <input type="checkbox"/> Golden Parachute Payments | <input type="checkbox"/> Unsubstantiated Employee Expense Reimbursements |
| <input type="checkbox"/> Uncollected FICA on Insurance Premiums | <input type="checkbox"/> COBRA Payments/Third Party Sick Pay - If these will be reported after your last payroll of 2011, please contact ADP. |
| <input type="checkbox"/> Moving Expenses | |
| <input type="checkbox"/> Dependent Care | |

Section 6

► Statutory Employees

Please include a list of any statutory employees who worked for your company this year with this form.

Section 7

► Important Company Information/Form W-3 Kind of Employer

Has your company information changed? If so, please notify ADP using this section:

Effective Date _____

Email Address _____

Legal Name _____

Legal Address _____

Federal Employer Identification Number (FEIN) _____

State Tax Identification Number _____ State Abbreviation _____

Unemployment Tax Identification Number _____ State Abbreviation _____

If your company falls into one of the following categories, have you notified ADP? If no, complete this section.

- ☐ Non-governmental tax-exempt section 501(c) organization
- ☐ State or local government or instrumentality that is *not* a tax-exempt section 501(c) organization
- ☐ Dual status state or local government or instrumentality that is also a tax-exempt section 501(c) organization
- ☐ Federal government entity or instrumentality

Section 8

► Vacation/Sick Balances

Do you wish to carry over vacation and/or sick balances to 2012?

- ☐ Yes, my vacation balances should be carried over to 2012.
- ☐ Yes, my sick balances should be carried over to 2012.

Checkpoint**If you have changes, please send this form to ADP by November 11. No action is required if you have no changes.****Thank you for completing the Year-End Reply Form.**

Section 5**Other Miscellaneous Income/Tax Credits****► Allocated tips**

If your business requires the reporting of tips, and you find after completing restaurant Form 8027 that sufficient tips were not reported, you must report an adjustment to add allocated tips for the affected employees. This helps to ensure that the tips appear as income on their W-2s.

► COBRA payments

Notify ADP of any unreported COBRA payments made on behalf of former employees in calendar year 2011 so that they may be included on Form 941.

► Dependent care

Dependent care expenses are incurred when the care is provided, not when the employee is billed or charged. You must report the total amount incurred for dependent care assistance provided to your employees.

► Golden parachute payments

If you made any golden parachute payments to key corporate executives and the excess payments are considered wages, they are subject to FICA (Social Security/Medicare), federal unemployment (FUTA) and income tax. The amount of excess payments must be reported on the employee's W-2. The 20% excise tax on these payments is considered income tax withholding and must be reported.

► Moving expenses

Nonqualified moving expenses are taxable. However, both *qualified* and *nonqualified* moving expenses reimbursed to or paid on behalf of an employee must be reported on Form W-2.

► Third party sick pay

Notify ADP of any third party sick pay and taxes withheld on those payments for 2011 if these amounts are not reported by the third party.

► Uncollected FICA on insurance premiums and tips

If you were unable to collect all of the required FICA (Social Security/Medicare) tax on premiums paid for group term life insurance (e.g., you are still paying the premium on a retired employee) or employee tips, the amount must be reported as uncollected FICA—not as Social Security tax withholding.

► Unsubstantiated employee expense reimbursements

You must report amounts paid to your employees for business expenses if:

- Your employee does not or is not required to substantiate the expenses. (i.e., furnish receipts or expense reports) **OR**
- You advance amounts to your employee for business expenses, and your employee does not or is not required to return amounts not used for business expenses.

Section 6**Statutory Employees**

Certain categories of workers who are independent contractors under common law but treated by statute as employees must be identified as statutory employees to ADP so the proper notation is included on their W-2s. For more information regarding statutory employees contact your accountant, or perform a search for the term at www.irs.gov.

Section 7**Important Company Information/Form W-3 Kind of Employer**

Complete ONLY if any of your company information has changed or has not been reported.

► Use your Quarterly Tax Verification Notice or your third-quarter Statement of Deposit to verify your company's:

- Legal name and address
- State tax identification number
- Federal Employer Identification Number (FEIN)
- State unemployment tax identification number

You may also verify these items (with the exception of your legal address) with your Payroll Summary, issued with every payroll. ADP may request supporting documentation.

► Use your Quarterly Tax Verification Notice to verify your company's Form W-3 Kind of Employer. If your company fits any one of the categories listed and you have not notified ADP, complete this section so that the proper box is checked on Form W-3.**Section 8****Vacation/Sick Balances**

All vacation and sick balances will be cleared after your last December payroll, unless you have made other arrangements with ADP. You must notify ADP if you want to carry over vacation and/or sick balances into the new year.