

If you are an EasyPayNet client, please skip this form and use Bonus Reply Form B.

## Bonus Payroll Reply Form A

Completed form due to ADP by November 11, 2011

Refer to the Year-End Letter in your payroll package for instructions on how to return your completed form.

Bonuses are an important way to recognize employee performance. Completing this form now will help ensure that we process your bonus payroll accurately. Please see the back of the form for additional information.

### Step 1: Schedule your bonus payroll

Branch/Client Code: \_\_\_\_\_ Company Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

☐ Yes, I will be processing a separate bonus payroll on \_\_\_\_\_

I would prefer to be called in the: Morning \_\_\_\_\_ Afternoon \_\_\_\_\_

☐ I will not be processing a separate bonus payroll.

I will be including my bonus checks in a regular payroll on \_\_\_\_\_

☐ Please check here if you will fax your bonus information on the date above.

#### KEY INFORMATION

- If you are using one of our banking features, such as Full Service Direct Deposit or ADPCheck™, you must report your bonus payroll at least three business days before the check date.
- Once you process a bonus payroll, the bonus amounts will be included in the year-to-date section of the employees' check stubs. To prevent bonus amounts from appearing on an earlier check, schedule the bonus payroll as the last payroll prior to distribution of the bonus checks.
- When selecting a date above, please refer to the letter that accompanied this guide, which specifies the designated bonus payroll processing dates from which you can choose.

### Step 2

#### ► Taxing Options

To help ensure that bonuses are taxed correctly, select *one* of the following options:

- ☐ Tax my bonus payroll using regular table rates for all taxes.
- ☐ Tax my bonus payroll at the supplemental wage rate for federal tax and withhold all applicable state, city, FICA (Social Security/Medicare), unemployment and disability taxes. (SUPW) **The federal supplemental tax rate is a flat 25% for earnings up to \$1,000,000.00 and a flat 35% for earnings over \$1,000,000.00.**
- ☐ Do *not* withhold federal or state tax, but withhold all other applicable taxes. (BONS)  
**Using this option, wages are considered taxable for federal and state and will be included on W-2s.**
- ☐ I will provide ADP with pre-calculated gross-to-net figures.

**Refer to <http://www.adp.com/tools-and-resources.aspx> for calculators that can assist you.**

### Step 3

#### ► Payroll Options

- ☐ Cancel Direct Deposit and issue all checks.
- ☐ Cancel the voluntary deductions listed below.

Refer to your Worksheet issued with each payroll for deduction codes and names. Changes will be made to all employees that are set up for the deduction. For each voluntary deduction you want to cancel, provide the deduction code and name below:

_____	_____	_____	_____	_____	_____	_____	_____
Code	Name	Code	Name	Code	Name	Code	Name

## Checkpoint

**If you plan to issue bonus checks, please send this form to ADP by November 11. No action is required if you are not planning to issue bonus checks.**

**Thank you for completing the Bonus Reply Form.**

# Instructions for Completing Bonus Reply Form A

## ACTION REQUIRED BY November 11, 2011

If you are an EasyPayNet client, use Bonus Payroll Reply Form B.

### Step 1

#### Schedule your Bonus Payroll

When scheduling a bonus payroll, keep these points in mind:

- Processing bonus payrolls separately prevents issues with employee taxes and/or voluntary deductions.
- Please allow at least 48 hours between reporting your regularly scheduled payroll and the bonus payroll to afford you ample time for reviewing and making changes, if necessary.
- Bonus amounts will be included in the year-to-date section of employee check stubs – so schedule it as the last payroll prior to distribution of the bonus checks.
- You must be available on the day of delivery to check that the payroll is accurate and to wire funds, if necessary.

**If you are using one of our banking features, such as Full Service Direct Deposit or ADPCheck, your bonus payroll must be reported to ADP at least three business days before your check date.**

If you require assistance determining pre-calculated bonus check amounts, check out our Resource Center Web site at <http://www.adp.com/tools-and-resources.aspx>

## Special Information about Bonus Payrolls

### ► Bonus payrolls with federal tax liabilities in excess of \$100,000

Federal tax liabilities in excess of \$100,000 must be deposited by the next banking day after the check date to avoid penalties and interest. ADP Tax Filing Service clients must report this payroll to ADP at least three business days prior to the check date.

### ► Funding requirements

In addition to federal regulations, ADP also applies certain restrictions to large bonus payrolls that may require a wire transfer prior to check date. If these restrictions apply to your bonus payroll, ADP will supply you with the necessary wire instructions by the next business day after the bonus payroll has been processed.

### ► Calculating gross from net pay for bonus checks

If you know what net bonus you would like to award an employee and FICA (Social Security/Medicare) is the only tax deducted from a bonus check, you may use the following formulas to calculate FICA and the inflated gross amount:

Year-To-Date Gross*	Inflated Gross	FICA
Under \$106,800.00	Net Bonus Pay ÷ 0.9435	5.65% x Inflated Gross
Over \$106,800.00	Net Bonus Pay ÷ 0.9855	1.45% x Inflated Gross

\* The employee's year-to-date gross earnings determines which formula should be used.

### Step 2

#### Taxing Options

This allows you to explain how your bonus will be taxed. Ask your accountant for more information regarding bonus taxation.

### Step 3

#### Payroll Options

This allows you to select paper checks for this bonus payroll and cancel any usual voluntary deductions. Consult the Worksheet issued with each payroll for deduction codes and names, and include them in Step 3.

For more information on payroll resources, federal, state and local tax information, and other tools, visit <http://www.adp.com/tools-and-resources.aspx>.