

**2023 EDITION**

# **The Justworks Guide to End of Year**

**Justworks**

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## This Is An Interactive Ebook!

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# Introduction

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When it comes to taxes, it's easy to think you need to “just get it done” at the end of the year. The reality is, there are many deadlines that may be applicable to your business throughout the year. And, when it comes to taxes, it may be financially advantageous to your business to have a year-round tax strategy and process to ensure you're saving time and minimizing risks and penalties.

**Whether you're already on the road to a comprehensive tax strategy, or you're just getting started, this ebook addresses common federal end-of-year filings for employers.**

Keep in mind that the checklists in this ebook are not exhaustive, and different or additional requirements may apply to your particular business. Also, states and localities may have different forms and filing deadlines. Consult with your accountant and counsel to ensure compliance with all applicable requirements.



## Working with a third party to complete your taxes?

If you're working with an outside bookkeeper, Certified Public Accountant (CPA), or Chief Financial Officer (CFO), this ebook can be used to plan an agenda for your meetings. Talk through each tax deadline and task, and decide how your company will handle it.

Starting the discussion and process earlier will help you maximize the positive impact you can have on your bottom line and minimize end-of-year stress.

### **Determine**

- Is the filing or task applicable to your company?
- Who needs to provide information or review it?
- Who will compile and complete the filing?



# Federal Tax Deadlines for Filing Year 2023 At-a-Glance

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We've compiled common federal tax filings and dates for employers below. It's important to review each form and determine which are applicable to your company.

If you aren't sure which forms and deadlines are applicable to you, we recommend working with a CPA to ensure you minimize the potential of costly fines. You can learn more about working with a CPA in Part Two of this ebook.

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\* Wondering how Justworks helps? Just look for this asterisk to find out what we can file for companies on Justworks.

## BY JANUARY 31

- Form W-2
- Form 1099-MISC
- Form 1099-NEC
- Form W-3
- Form 941
- Form 940
- Form 1096

## BY MAIL: FEBRUARY 28

— OR —

## ELECTRONICALLY: MARCH 31

- Form 1095-C
- Form 1094-C



# 2023 Federal Tax Filing Deadlines

JANUARY 31

## **Form W-2**

Generally, employers must file a Form W-2 for each employee who (i) they have paid \$600 or more in wages, (ii) they have withheld income, social security, or Medicare taxes from, or (iii) they would have withheld income tax from if the employee had not claimed exemption from withholding on Form W-4.

Employers must also furnish a copy of Form W-2 to employees by this date. *If you're on Justworks, we handle this for you and will generate Form W-2 for all employees who receive any amount of taxable wages. \**

## **Form 1099-MISC**

Employers must file a Form 1099-MISC for each person or entity an employer has made payments of at least \$10 in royalties, \$600 in rents, medical and health care payments, or certain miscellaneous forms of payment. Employers must also furnish a copy to contractors by the January 31 deadline. *If you're on Justworks, we can handle this for you. \**

## **Form 1099-NEC**

Employers must file a Form 1099-NEC for each person or entity an employer has paid during the year at least \$600 in non-employee compensation including fees, commissions, or other forms of compensation for services performed for your trade or business by an individual who is not your employee. Employers must also furnish a copy to contractors by the January 31 deadline. *If you're on Justworks, we can handle this for you. \**

## **Form W-3**

Form W-3 is the Transmittal of Wage and Tax Statements and is used to file Copy A portions of Forms W-2 to the Social Security Administration (SSA). *Justworks submits this form timely, by the January 31 deadline. \**

**Form 941**

Employers use Form 941 as a quarterly tax return to report income taxes, Social Security tax, or Medicare tax withheld from employees' paychecks. It's also used to pay the employer's portion of Social Security or Medicare tax. [If you're on Justworks, we file Form 941 quarterly for you.](#) ✨

**Form 940**

Form 940 is used to report annual Federal Unemployment Tax, or FUTA. FUTA provides funding to state unemployment agencies, which provide unemployment compensation to workers who have lost their jobs. [If you're on Justworks, we file Form 940 annually for you.](#) ✨

**Form 1096**

If your company filed Forms 1099, you'll need to file Form 1096, which is the transmittal form used to summarize information on Forms 1099-MISC and 1099-NEC. [If you're on Justworks and have us file Forms 1099 on your behalf, you don't need to worry about this.](#) ✨



## 2023 Federal Tax Filing Deadlines

BY MAIL: FEBRUARY 28  
ELECTRONICALLY: MARCH 31

### **Form 1095-C**

If your business is an Applicable Large Employer (ALE), you need to file a Form 1095-C with the IRS. ALEs are employers with at least 50 full-time equivalent employees. A copy of Form 1095-C must also be provided to employees.

### **Form 1094-C**

If your business is an ALE, you need to file Form 1094-C. Form 1094-C is a “cover sheet” for the 1095-C forms. It provides information on things like the employer, number of employees, and contact person.

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\* **Note:** If your company is an ALE and you're on Justworks, [we will handle the filing and distribution of Forms 1095-C and 1094-C, as appropriate, for you.](#) The deadline to notify us of your ALE status and filing preferences for the 2023 filing was October 31, 2023.





# Develop a Tax Strategy and Plan

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Do you find yourself promising, year after year, that you won't wait until just before the deadline next time? Being proactive about end of year tax filings and compliance can save you valuable time, effort, and stress. While it may feel like a lower priority than an upcoming client deadline, team meeting, or push to ship your latest feature or product, your approach to taxes can have a significant impact on your business.

## Staying compliant can help you avoid penalties

There can be costly penalties if your company fails to file applicable tax forms. For example, if your company is an ALE under the ACA and fails to file an informational return accurately or on time, you could face a penalty of \$280 per return for each full-time employee which can certainly add up if you have 50 or more full-time employees. And that's just one of the many tax filings that may apply to your company.

### **Determine**

A variety of factors determine which tax forms are required for your company. A few examples include:

- Is your company an S-Corp?
- Did your company pay contractors or vendors?
- Is your company tax-exempt?
- Is your company an Applicable Large Employer (ALE) under the Affordable Care Act (ACA)?



## Working with a CPA

Working with a CPA to develop a tax strategy and plan will help you ensure your company is fulfilling its tax obligations. While going without a CPA might save you the money you'd pay them, you'll miss out on their expertise. Investing the time upfront to discuss your company's specific circumstances with a CPA will save you valuable time and effort going forward. And, what's more, you may be able to write off the cost of the CPA on next year's taxes!



# Preparing for End of Year

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You've identified the tax forms applicable to your company and partnered with a CPA. Now what? The following list will help you ensure you and your company are prepared for end of year tax filings. The first section will guide you through verifying the relevant employee and company information you need to close out the year. In the tasks section, we'll take you step-by-step through common tasks you should complete before you say goodbye to this year. If you work with a payroll provider or PEO that files tax forms on your behalf, you'll need to report this information to them.

If you're on Justworks, you can work through each task in our [End of Year Task List](#). As you complete each item, cross it off your list and you'll be one step closer to closing out the year. ✨

## Verify employee and company information

### Verify employee information

Make sure you and your team update their personal information, so everything is accurate and spelled correctly. This includes each employee's name, home and work address, mailing address (if applicable), and Form W-4 and state withholdings.

**It's important to note that corrections to Form W-4 withholding amounts can only be made on a go-forward basis, so employees should verify this information to avoid any penalties incurred by underwithholding.**

### Report employees on tax-exempt visas

Make sure you report if any employees are on a visa that makes them exempt from FICA or FUTA taxes.



**Report >2% S-Corp shareholders**

If your company files as an S-Corp, you need to report any shareholder with more than 2% interest.

**Report employer contributions to outside health benefits**

If your company provides medical, dental, and/or vision insurance, or a Health Savings Account (HSA) to your employees, you'll need to report the employer contributions to those health benefits and work with your tax preparer to ensure this information is reported correctly for your >2% S-Corp shareholders.

**Report taxable fringe benefits**

You'll need to report any taxable fringe benefits your company provides to employees. Fringe benefits can include things like group term life insurance, employee stock options, moving expenses, and housing allowances.

**Report taxable, equity-based compensation**

If there is an employee in your company that received taxable, equity-based compensation, you'll need to report it. It's best to discuss equity compensation with your tax advisor or accountant to confirm the taxability and correct amounts to report.

**Report contractor and vendor payments**

Determine how your company will file Forms 1099-MISC and 1099-NEC. If your company paid a contractor or vendor \$600 or more this year, you'll need to report payments on Forms 1099. [If you're on Justworks, we can file these on your behalf. ✨](#)



## Tasks to complete

**Remind employees about the opportunity to max out 401(k) contributions**

Talk with your employees to understand their end-of-year 401(k) plans. To benefit the most from pre-tax contributions, your employees can max out their 401(k) contributions by updating their contribution rate for either their base wages or bonus/commission pay.

**Check with your FSA provider to confirm the rules around your employee's FSA funds**

This is important to confirm whether your active employees need to use their funds by December 31, 2023 or if they will rollover into 2024.

**Schedule final bonuses and payments**

To reflect payments on 2023 Forms W-2, 1099-MISC, or 1099-NEC, the recipient must receive the payment in 2023.

**Review your final payroll**

Review your final payroll of 2023 to make sure all payees and amounts are correct.



# Working with a PEO at End of Year

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**Professional Employer Organizations (PEOs) like Justworks can bundle payroll, compliance, HR, and benefits under one umbrella, and help to administer employment-related responsibilities on behalf of their customers.**

In addition to handling complicated payroll and compliance requirements throughout the year, PEOs make tax season less stressful for their customers by withholding, reporting, and remitting payroll taxes. PEOs also file Forms W-2 and issue them to employees, file Forms 1099 and issue them to contractors and vendors, and can handle healthcare compliance filings on behalf of their customers.

## Helpful, right?

Learn more about the PEO model and how it could help you in [this video](#).



### Have Questions?

Call: (888) 534-1711 • Email: [support@justworks.com](mailto:support@justworks.com)  
Slack: [slack.justworks.com](https://slack.justworks.com) • Text: (959) 247-0005

These checklists are not exhaustive. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, legal or tax advice. Justworks does not provide tax or legal advice. Be sure to consult with your professional legal or tax advisor to ensure compliance with all applicable laws and regulations.