



Our staff from MOMsoftware would like to take this opportunity to wish all our clients “Happy New Year and Happy Holidays”. Year end can be stressful but with MOMsoftware we take the extra step to guide and assist you in real time.

Payroll Year End Overview:

First, complete all month/quarter end procedures as usual. You will then be ready to do the year-end process. The year-end process **MUST BE completed before any checks dated in January are processed.** W2’s will be stored in a file where they can be modified/printed at a later time.

List of Taxes that will be updated:

Tax Description	Tax Code
Federal Tax	01
FICA	02
Medicare	10
EIC	25
State (California only)	03

Note:

Only the **Employee FICA has been lowered to 4.2%**, the Employer rate **has not** been changed.

List of Taxes we **DO NOT** update during MOMsoftware Year End update:

Tax Description	Tax Code
SUI	07
SDI	04
State (if not California)	03

Note:

If you are using any of the tax codes that we do not update, you must update them manually through application SP-TF-FI. The California SUI rate is set for every employer at a unique rate. California SDI can be unique, but for 98% of the Californians, the standard rate this year for **2011 is 1.2% with an upper limit of 93,316.00, which should calculate a maximum tax of \$1119.79.** Hence, You **must update these rates manually.**



W2 Change:

This is from last year, but worth restating. When building the W2's in application SP-YE-2B, there has been a change to line (05). It was created last year as an option to report both employer and employee paid amounts for retirement on box 12. There has always been confusion as to whether or not this needs to be done. The IRS updated the instructions with even greater examples clearing up the issue. 401K's and other retirement plans are not subject to this need. ONLY 457(b) code G is reported this way. The system will default to "N" on this field but can be changed to a "Y".

WEEKLY AND BIWEEKLY PAYDAY SCHEDULES:

There has always been the dilemma of selected payrolls for weekly and biweekly payrolls. The last steps of the year-end process (SE and US steps) require knowing these numbers, but if you print out the payday schedule, it only prints the current year, not the next year.

Note:

We will not need to create codes for all of our pay period codes. We only need one to get our numbers for the coming year. Example, some clients have multiple codes for different bargaining groups, but they all cover the same dates.

First, to understand where these numbers come from, go to SP-FM-PC. Choose to print by entering a "P" at pay period code. Then choose the payday schedule option. Print out the payday schedule. This can be done anytime and it's available all year long.

Instructions on how to print the Payday Schedule for the coming year:

Now, call up your primary payday pay period code. For most of you, that will be "BW" for bi-weekly. It is user defined. Therefore do a lookup to find your code. Next, choose "T" for transfer. Choose a new pay period code id for your next year's payday schedule code. Example: I would choose "BZ". Enter through and save this record. We will then recall the record for changes. **NOTE: This is same as last year, so many of you already have a BZ or similar code for the next year's numbers, check with a lookup first.**

1. Change line (01) description so we know what kind of record it is. IE: "Next year's payday schedule" should suffice.



2. Change line (03) to the first day of next year’s payday schedule. If you do not know this date, choose the day after the last pay period ending date from the schedule we printed earlier.
3. Choose line (05) and choose “Y” to let system calculate dates. Put in the same date we used for line (03) as our first date. Enter through all the rest and save record and voila, we have a pay period code for next year!!!
4. Choose “P” to print a new payday schedule as earlier. You may choose to print just this pay period codes schedule this time.

Now we have the numbers we need. Following are two payday schedule prints as examples. They are the 2005-2006 changeovers, but the concept is exactly the same.

```

REPORT.: Dec 13 05 Tuesday
RUN...: Dec 13 05 Time: 15:11
Run By.: Curt Richardson

Corbin Willits Systems
Pay Period Code Maintenance

Pay Period Code...: BW
Pay Intervals/Yr.: 26
BIWEEKLY
Check Delayed 05 Days
-----
Payroll  Period Beginning  Period Ending  Actual Payday
-----
1      Sat 12/18/04      Fri 12/31/04      Wed 01/05/05
2      Sat 01/01/05      Fri 01/14/05      Wed 01/19/05
3      Sat 01/15/05      Fri 01/28/05      Wed 02/02/05
4      Sat 01/29/05      Fri 02/11/05      Wed 02/16/05
5      Sat 02/12/05      Fri 02/25/05      Wed 03/02/05
6      Sat 02/26/05      Fri 03/11/05      Wed 03/16/05
7      Sat 03/12/05      Fri 03/25/05      Wed 03/30/05
8      Sat 03/26/05      Fri 04/08/05      Wed 04/13/05
9      Sat 04/09/05      Fri 04/22/05      Wed 04/27/05
10     Sat 04/23/05      Fri 05/06/05      Wed 05/11/05
11     Sat 05/07/05      Fri 05/20/05      Wed 05/25/05
12     Sat 05/21/05      Fri 06/03/05      Wed 06/08/05
13     Sat 06/04/05      Fri 06/17/05      Wed 06/22/05
14     Sat 06/18/05      Fri 07/01/05      Wed 07/06/05
15     Sat 07/02/05      Fri 07/15/05      Wed 07/20/05
16     Sat 07/16/05      Fri 07/29/05      Wed 08/03/05
17     Sat 07/30/05      Fri 08/12/05      Wed 08/17/05
18     Sat 08/13/05      Fri 08/26/05      Wed 08/31/05
19     Sat 08/27/05      Fri 09/09/05      Wed 09/14/05
20     Sat 09/10/05      Fri 09/23/05      Wed 09/28/05
21     Sat 09/24/05      Fri 10/07/05      Wed 10/12/05
22     Sat 10/08/05      Fri 10/21/05      Wed 10/26/05
23     Sat 10/22/05      Fri 11/04/05      Wed 11/09/05
24     Sat 11/05/05      Fri 11/18/05      Wed 11/23/05
25     Sat 11/19/05      Fri 12/02/05      Wed 12/07/05
26     Sat 12/03/05      Fri 12/16/05      Wed 12/21/05

1st Payrolls of the Month
-----
1 3 5 8 10 12 14 16 19 21 23 25
2nd Payrolls of the Month
-----
2 4 6 9 11 13 15 17 20 22 24 26
3rd Payrolls of the Month
-----
7 18
Last Payrolls of the Month
-----
2 4 7 9 11 13 15 18 20 22 24 26

```



REPORT.: Dec 13 05 Tuesday
 RUN....: Dec 13 05 Time: 15:42
 Run By.: Curt Richardson

Corbin Willits Systems
 Pay Period Code Maintenance

Pay Period Code...: BZ NEXT YEARS PAYDATES
 Pay Intervals/Yr.: 26 Check Delayed 04 Days

Payroll	Period Beginning	Period Ending	Actual Payday
1	Thu 12/22/05	Wed 01/04/06	Sun 01/08/06
2	Thu 01/05/06	Wed 01/18/06	Sun 01/22/06
3	Thu 01/19/06	Wed 02/01/06	Sun 02/05/06
4	Thu 02/02/06	Wed 02/15/06	Sun 02/19/06
5	Thu 02/16/06	Wed 03/01/06	Sun 03/05/06
6	Thu 03/02/06	Wed 03/15/06	Sun 03/19/06
7	Thu 03/16/06	Wed 03/29/06	Sun 04/02/06
8	Thu 03/30/06	Wed 04/12/06	Sun 04/16/06
9	Thu 04/13/06	Wed 04/26/06	Sun 04/30/06
10	Thu 04/27/06	Wed 05/10/06	Sun 05/14/06
11	Thu 05/11/06	Wed 05/24/06	Sun 05/28/06
12	Thu 05/25/06	Wed 06/07/06	Sun 06/11/06
13	Thu 06/08/06	Wed 06/21/06	Sun 06/25/06
14	Thu 06/22/06	Wed 07/05/06	Sun 07/09/06
15	Thu 07/06/06	Wed 07/19/06	Sun 07/23/06
16	Thu 07/20/06	Wed 08/02/06	Sun 08/06/06
17	Thu 08/03/06	Wed 08/16/06	Sun 08/20/06
18	Thu 08/17/06	Wed 08/30/06	Sun 09/03/06
19	Thu 08/31/06	Wed 09/13/06	Sun 09/17/06
20	Thu 09/14/06	Wed 09/27/06	Sun 10/01/06
21	Thu 09/28/06	Wed 10/11/06	Sun 10/15/06
22	Thu 10/12/06	Wed 10/25/06	Sun 10/29/06
23	Thu 10/26/06	Wed 11/08/06	Sun 11/12/06
24	Thu 11/09/06	Wed 11/22/06	Sun 11/26/06
25	Thu 11/23/06	Wed 12/06/06	Sun 12/10/06
26	Thu 12/07/06	Wed 12/20/06	Sun 12/24/06
1st Payrolls of the Month			

1	3 5 7 10 12 14 16 18 20 23 25		
2nd Payrolls of the Month			

2	4 6 8 11 13 15 17 19 21 24 26		
3rd Payrolls of the Month			

9 22			
Last Payrolls of the Month			

2	4 6 9 11 13 15 17 19 22 24 26		



THE YEAR END PROCESSING- OVERVIEW:

Application SP-YE

Begin at the top, end at the bottom.

The SP-YE-BY application checks certain data then starts the process. It creates more menu items that are used for the year-end process and then proceeds to the 2B application to build the W2 file.

- **SP-YE-2B:**
This builds the W2 file and proceeds to the audit trail for the file. It reads the employee master records to find its numbers. Be sure to check your audit trail thoroughly.

Note:

Even though you can change the W2 file later before printing, once you have completed this whole menu and updated the year end, the 2B application cannot be re-ran. One reason I may want to rerun this application is that I forgot to flag my 401k as a type "D" plan and the W2 file did not build them that way. If I have not completed this whole menu, I could just go to my 401K deduction code, flag it properly, and then re-build the file. Otherwise, I would have to change each record individually.

- **SP-YE-2A:**
Audit trail for W2's.

Note:

The form printing option is not on this menu, it only builds the W2 file. It is in the SP-YR

- **SP-YE-6B – SP-YE-9A:**
This application may not be in use anymore. If you do, please contact us. Some of our clients have chosen to put personnel on the payroll module and chose to print 1099's instead of W2's. That choice is on EM screen "M". This option will be eliminated if no client is using it.
- **SP-YE-YD:**
Simple terminated employee listing.



- **SP-YE-CB:**
Complete listing of every employee's master screens and the balances. This cannot be recreated after the year-end is complete, so even though it may take a long time to print, **be sure it has completely printed before finishing year-end.**
- **SP-YE-IT:**
It installs the tax tables for 2010. It should say on then menu and in the application the year is 2010. It can be ran several times and not hurt. Please refer to page 2 for the list of tax codes that we update.
- **SP-YE-SE:**
Payroll maintenance for weekly and biweekly pay schedules. This is really just a simple search and replace program. Please read the following to avoid confusion:

Let's say it's bi-weekly and have a deduction that needs to skip on the 3rd payrolls of the month that normally occurs just twice a year. The system numbers those payrolls. So if we have 26 payrolls, our third numbers may be 3 and 17. Line (02) in this application should have those numbers on it. Using our schedule for next year, we find the new numbers for 3rd payrolls of the year to be 5 and 22. We place those numbers on line (03). Then, on the next application SP-SE-US, we enter through the bottom of the screen and the system searches for any string of 3 and 17. If it finds one, it prints an audit trail showing that it will change those numbers to 5 and 22. The cool thing about this is that it can be run anytime. If we mess up and put in new numbers 5 and 23 by accident, and update it. No problem. We then go back into SE. 5 and 23 are on line (02). We then put 5 and 22 on line (03). We rerun US and the system searches for my bad string of 5 and 23 and replaces it with my corrected string of 5 and 22. It's a simple search and replace. Just for your info, some of you weekly and biweekly don't even use this, but most of you do.

Most of you will have 1st payrolls of the month, 2nd payrolls of the month, 3 payrolls of the month, and last payrolls of the month. Use your payday schedules for these numbers.

- **SP-YE-US:**
Printing and updating of the SP-YE-SE.

Note:

The first time in this application you just enter through the bottom of the screen to search and build the transactions. If you have not done this first and choose print, it will print nothing as it has done nothing as yet.



- **SP-YE-YU:**
Complete year end processing. **AGAIN**, be sure to have your CB report and have at least done some kind of audit of your W2's for system checks as **this application will zero out the CYTD balances on the employee master screens** and those two applications cannot be reran.

To Modify your W2 Data:

W2 processing can be found on menu SP-YR. You may go into to W2 application to modify W2 data. You may also print another audit trail of W2 data within the application W2 by entering a "P" at employee id. This file stays here all year and it not replaced until the next year end it done. You may print and reprint W2s all you want. You may even test on plain paper just a few employees by choosing just some in the W2 print application.

THE YEAR END PROCESSING- DETAIL:

*****IMPORTANT*****

To successfully close out 2010 and begin 2011 you must complete the following steps in the order specified (unless you are accruing the first payroll in January to December):

- Step 1:** Complete your December payrolls and run your Month End.
- Step 2:** Load your payroll year-end release (**DONE by Momsoftware staff only**)
- Step 3:** Complete the YE menu.

When you have completed all of the YE applications that apply to you, and you have updated through YE-YU, then you can safely begin the first payroll of 2011.

DO NOT start your first payroll of the New Year until ALL Year End Processes (BY, 2B, 2A, CB, IT, (YD if applicable) and YU) are complete. If you process a payroll before you complete YU, the final year end application, your Year-to-Date figures for each employee will include the entire prior year's payroll!

Note:
All of the applications on the YE screen will have a DONE placed beside them after completion EXCEPT IT, SE, and US. These applications will have a date next to them on the YE menu.

In the course of year-end processes, W2's will be created and Calendar Year-to-Date balances will be printed out. If, in SP-SM-EC (Executive Control), line (17), you have



entered "1 Delete after Calendar Year", ALL TERMINATED EMPLOYEES will be removed from the employee file (during SP-YE-YU). With the exception of accrual totals, ALL CYTD totals in Employee Screens B, C and D will be zeroed.

The steps in Year End Processing are as follows:

BY Begin Year End Processing: Checks to see if all necessary functions have been completed before commencing year-end processing.

MA (optional) Screen M Audit Listing. Prints a list of the data found on the employee's screen M.

2B Build W2 File for YYYY: You will not see this application on your YE screen until application BY has been completed. This was done to avert catastrophe. This application wipes out all prior year's W2's and establishes the W2's for the year-just-ended.

W2 figures come from employee Screens C (FIT, SIT, FICA, MEDICARE, California-SDI and Tax/Benefit Code 15-Employer Paid Deferred Comp) and D (Deferred Comp Deductions).

The Pension Plan box in block 6 is marked (X) if any one of an employee's deduction screens qualify for deferred comp (see application SP-FM-DC, line (11)) or if one of an employee's tax/benefit codes on Screen C qualify for deferred comp (see application SP-TF-TT, line (06)).

If an employee is flagged in Screen M to receive a W2, the employee's data is loaded into application SP-YR-W2. 1099R employee records, as flagged on Screen M, are established in 1099R maintenance on the YE menu.

This process checks for data accuracy. If you receive an error message, END, correct the problem, and return to YE-2B. An example: Error! Incorrect data for deferred comp type in deduction code "99".

2A W2 Audit Listing: After the W2 file has been posted, you may obtain a listing of its contents here. If you are rushed for time, print the audit listing and complete year-end processing, then run your 1st payroll of the New Year. You may use this audit trail to reconcile W2's to your quarterly reports. Corrections can be made in application SP-YR-W2. This application can be run at any time during the year (to obtain data from the PRIOR calendar year's W2's).



YD Terminated Employee Listing: Lists all employees who have been terminated during the year and their Year to Date Earnings. This application can be run at any time during the year.

CB Employee CYTD Balance Listing: This prints a Calendar Year to Date summary of ALL employee balances (CYTD), one page per employee. The amounts come from the employee maintenance screen balances before they are zeroed out.

IT Install Tax Tables for YYYY: If you have contracted for MOMsoftware Service & Enhancement agreement, MOMsoftware will provide you with the following Tax/Benefit Tables:

Tax Table	Tax Description
01USS	FIT Single
01USM	FIT Married
02000	FICA (Less Medicare)
02R00	Employer Reimbursed FICA (Less Medicare)
02001	FICA (Employer Part)
02R01	Employer Reimbursed FICA (Employer Part)
03CAS	California SIT Single
03CAM	California SIT Married
03CAH	California SIT Head of Household
10000	FICA/Medicare
10R00	FICA/Medicare (Employer Reimbursed)
10001	Medicare (Employer)
10R01	Medicare (Employer)
25000	EIC Single
25001	EIC Married/Both Spouses
25003	EIC Married/1 Spouse

Running this application will upload these tables for the New Year. Verify that the proper year (the New Year) is being loaded. The screen displays a message.

SE and US

If you are paying employees on a cycle other than a 12 or 24 pay period cycle, these payroll numbers MUST be adjusted for the current year. To automatically adjust selected payrolls for taxes, benefits and voluntary deductions, follow these steps:



Go to SP-FM-PC:

1. Enter your beginning payroll date for the New Year on line (3). Enter the period for your first payroll of the year on line (5).
2. Run a payday schedule. At pay period code, type in a "P", ENTER
3. On the print screen enter your weekly or biweekly code on line (1).
Choose 'payday schedule' on line (3).
3. Using the payday schedule, update the payroll numbers in SP-FM-SE.
4. Run application SP-DM-US. (More information is available in Momsoftware C5? Help Menu)

YU Complete Year End Processing:

Zeroes all employee CYTD balances in employee master screens except Fiscal Year to Date totals and accrual hour totals on Screens B; all pay period codes are set to the 1st payroll of the new year; and all terminated employees are removed from the payroll file IF line (16) in application SP-SM-EC has "1 Delete After Calendar Year".

You are now ready to run the first payroll of the New Year.

Note:

You do not have to print the W2's or 1099R's during this process. These may be printed at your convenience any time during the next year (subject to government regulations). Running payrolls during the New Year will have no affect on the W2/1099R information you need to have for these official records. W2's are printed in application SP-YR-2P. Information can be modified in application SP-YR-W2 (the YR menu). If you are reporting W2's on magnetic media, be sure the executive screen in application SP-YR-FD is completed properly.

ELECTRONIC FILERS:

This section is for electronic filers only.

ACUWAGE Software.

Social Security has free downloadable software to test the W2REPORT file before submitting it. It is easy to use and we recommend all clients to use it to prevent any errors. Go to <http://www.socialsecurity.gov/employer> .Under "Employer Information Directory," select AccuWAGE/AccuW2C for information and Software

You are also advised to go to the following link and print out the information for magnetic filing. <http://www.socialsecurity.gov/employer/pub.htm>