

Empeon 2022 Year-End Process

Empeon understands that your time is very valuable, and we are committed to helping our clients prepare for a smooth year-end. We feel it's beneficial to provide detailed yet concise information regarding important year-end items that may need to be handled by your organization.

Below are important year-end processes which your organization may be required to address. Please make sure to review this entire article. Spending a few extra minutes reviewing these items can save you hours of aggravating work and unnecessary cost later.

Please note that many of the items below will be handled in Empeon's Year-End Portal. More detailed information on how to use this portal will be provided upon its release in mid-December. Over the upcoming weeks please gather information required so you can complete your Year-End tasks.

We value your business and your trust in us as your Human Capital Management provider. We look forward to working together with you to ensure a successful year-end.

I. W-2 Healthcare Coverage Cost Reporting:

As mandated by the Affordable Care Act, employers with 250 or more W-2s in the prior calendar year are required to report total premium cost of Healthcare Insurance in W2 Box 12 using code "DD". The amount reported is not taxable; it is only used by the IRS for informational purposes.

Confirm with your tax advisor if this requirement is applicable to your organization. Our Year-End portal will have a tool used to upload this file.

Note: If your organization is already utilizing our Benefits module, premium costs will be automatically calculated based on enrollees.

For more information about this mandate click the following link; [IRS Employer Sponsored Health Coverage Reporting](#).

II. W-2 Third Party Sick Pay Reporting:

In most cases the taxable wages and tax amounts of Third-Party Sick Pay (disability payments) issued to an employee by the state or insurance provider need to be recorded in the payroll module of Empeon for W2 and employer tax purposes.

If you haven't already been doing this throughout the year; obtain your disability payment information from your third-party sick provider. Once you receive this info add the "New 3Pty Batch" in the Actions module and key in the taxable wages of the disability payments for each applicable employee. Then process this batch with a 2022 payroll. You can also record 3rd Party Sick as a separate 2022 payroll process by submitting the [Unscheduled Payroll Request Form](#). If you are unsure of the best way to administrate this process don't hesitate to contact team1@empeon.com for additional guidance.

III. Year-End Taxable Benefits Reporting

Certain employer provided benefits are taxable and need to be included as part of employee taxable wages. If your organization provides taxable non-cash benefits and haven't been recording in Empeon throughout the year; start to record these items as part of your regular 2022 payrolls or as a 2022 dated adjustment payroll, before 2023. Should you have items like this, but aren't sure how to best address, contact team1@empeon.com for further assistance.

IV. W-2 Information Verification:

To ensure accurate and smooth W-2 processing it is important for employers to review and verify employee demographic information in advance. Please note that some tax agencies may impose penalties for each W-2 that is submitted with an incorrect SSN or name. It's important to invest the time and effort confirming that employee information in Empeon is correct before W-2s are processed. We strongly encourage all clients to have their employees verify their name, address, and SSN in Empeon's Employee Self Service (ESS) Portal which can be done at hub.empeon.com.

To help you verify this information in Empeon you can run an **Employee List Live Report** and review the following information:

- **Employees' names**
- **Employees' Social Security Numbers**
- **Employees' addresses**

For additional assistance and best practice guidance on how to ensure employees have correct personal information and how ESS can help you better manage this process, contact team1@empeon.com.

V. ACA Year End Processing:

The Affordable Care Act (ACA) Mandate requires Applicable Large Employers (ALE) to file forms 1094 and 1095 as part of their 2022 year-end filing. An 'Applicable Large Employer' is an employer with an average of 50 or more full-time or full-time equivalent employees.

Form 1095-C needs to be furnished no later than March 2, 2023 to employees who calculated full time for one or more months during the 2022 calendar year (one form per employee). The 1095-C form contains information about the employee's monthly offer of health insurance coverage.

Form 1094-C is filed with the IRS along with a copy of all 1095-C forms. The 1094-C form contains information about the employer. It includes monthly full time employee count, total monthly employee count, and certification of Insurance Coverage Offer by month. The 1094-C form along with all 1095-C forms must be filed with the IRS no later than March 31, 2023.

If you have not yet met with our ACA advisor to update your 2022 plan eligibility, costs and enrollment, please do so by scheduling a meeting using [this link](#). At year end, you will notice a banner at the top of your Empeon screen which will direct you to activate the ACA Wizard to verify and submit your 1094-C and 1095-C information.

If you are not a Large Employer or will not be using Empeon to file your ACA forms, please select that choice in the wizard.

Note: The views and opinions expressed in this guide are solely of the author and should not be used as legal guidance. Empeon is not authorized to provide legal guidance. Employers should consult with their compliance advisor to confirm that their payroll processing procedures comply with federal, state, and local regulations.