

Empeon 2023 Year-End Process

At Empeon, we are committed to helping you make year-end reporting as smooth, easy, and seamless as possible. To that end, we put together this helpful Year-End Process guide. Use this to identify requirements for important year-end reporting processes and make plans to collect the necessary documentation. Initiating information-gathering now can save time and prevent unnecessary costs later. Please note that many of the processes below are managed in the Empeon Year-End Portal. Detailed instructions on how to use the Year-End Portal will be provided prior to its launch in mid-December.

I. W-2 Healthcare Coverage Cost Reporting

The Affordable Care Act mandates that employers with 250 or more employees in the prior calendar year report the total premium cost of healthcare insurance in W-2 Box 12 using code “DD.” The amount reported is not taxable; the IRS only uses it for informational purposes. Confirm with your tax advisor if this requirement applies to your organization. The Empeon Year-End Portal will have a tool for uploading this file.

Note: If your organization is already tracking your **health benefits premiums** with Empeon’s Benefits Module you do not need to take any action, the system will automatically apply the premium costs as needed in Box 12DD. If you aren’t using the Benefits module and you’ve used a mapping of earnings or deduction codes for W2 12DD in prior years, you’ll use the import tool as Empeon no longer supports Box 12DD code mapping.

II. W-2 Third-Party Sick Pay Reporting

In most cases, it’s required to record the taxable wages of third-party sick pay (disability payments) issued to employees by states or insurance providers for W2 and employer tax purposes. This need is handled in the payroll module of Empeon. [Click this link for a video tutorial](#) on how to add a 3rd Party batch to a 2023 payroll for third party sick recording.

You may also record third-party sick pay as a separate 2023 payroll process by submitting the [Unscheduled Payroll Request Form](#). If you are unsure of the best way to administer this process, don't hesitate to contact cs@empeon.com for additional guidance.

III. Year-End Taxable Benefits Reporting

Certain employer-provided benefits are taxable and must be included in the employee taxable wages section. If your organization provides taxable non-cash benefits, record these expenditures as part of your regular 2023 payroll or as a 2023-dated adjustment payroll prior to 2024.

If you feel that your organization may have this need but aren't sure how to best address; contact cs@empeon.com for further assistance.

IV. W-2 Information Verification

To ensure accurate and smooth W-2 processing, employers should review and verify employee demographic information in advance. Please note that some tax agencies may impose penalties for each W-2 submitted with errors. Instruct your employees to review and verify their information in Empeon's Employee Self-Service (ESS) Portal at hub.empeon.com. Empeon Workforce admins can easily use our system to also help verify by running an Employee List Live Report and reviewing the following information:

- Employee names
- Employee social security numbers
- Employee addresses

For additional assistance and best practice guidance on ensuring employees have correct personal information and how ESS can help you better manage this process, contact cs@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 2023 year-end filing. An 'Applicable Large Employer' is an employer with an average of 50 or more full-time (or the equivalent of full-time) employees.

Form 1095-C must be furnished, by March 1, 2024, to employees who calculated full-time for one or more months during the 2023 calendar year. The 1095-C form contains information about the employee's monthly offer of health insurance coverage, while the 1094-C list Company demographic information. Form 1094-C is filed with the IRS, along with a copy of all 1095-C forms. The 1094-C form, and all 1095-C forms, must be filed electronically with the IRS by April 1, 2024.

At the end of the year, you will notice a banner at the top of your Empeon screen directing you to activate the ACA Wizard to verify and submit your 1094-C and 1095-C information.

Editor's Note: *The views and opinions expressed in this guide should not be used as legal guidance. Employers should consult their compliance advisor to confirm that their payroll processing procedures comply with federal, state, and local regulations.*