

Paychex PEO 2021 Quarter-End Checklist

Has this Information been reported?

- All payroll checks issued to employees that you wrote
- Voided checks
- Tax deposits made for an amount other than the amount on the deposit notice
- Identification numbers for every tax agency

Has this Information been verified?

- Employee names and addresses
- Employee social security numbers (SSNs)
- Identification numbers for state and local agencies on each return

Have You Considered COVID-19 Reporting and Payments?

Employee Retention Tax Credits (ERTC)

- Report ERTC under the Coronavirus Aid, Relief, and Economic Security (CARES) Act- **this has been extended through December 31, 2021 (fourth quarter).**
 - Qualified wage for the ERTC
 - Qualified health plan expenses on wages reported for the ERTC.
 - The credit is increased from 50% to 70% of qualified wages paid in 2021.
 - The maximum amount of qualified wages for each employee is \$10,000 **each calendar quarter** for all four quarters of 2021, for qualified wages paid in 2021.
 - The maximum credit for qualified wages paid to any employee is **\$7,000 per quarter** for the all four quarters of 2021, for qualified wages paid in 2021.



ERTC for Recovery Startup Businesses

- Report that you are receiving the ERTC as the result of being a Recovery Startup Business so we can correctly report the credits on your 941 return.

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The ERTC and Paycheck Protection Program (PPP) Loan

Employers who received the PPP loan can claim the ERTC as well. Employers can also retroactively claim this credit in 2020 as well. The credit cannot be claimed on the same wages that were used for PPP forgiveness.

Employer Social Security Tax Deferral

- If you deferred employer social security tax, remember that 50% of the eligible deferred amount is due to the IRS by December 31, 2021. You may want to start planning for this now.
- If according to our records, you deferred employer social security tax, Paychex will be sending you two emails:
 - The first email will be about how we'll be handling the process
 - The second email will in early December, containing information about how much and the date we'll be collecting these funds from your account.

Form 7200

- Second quarter Forms 7200 (Advance payment of Employer Credits Due to COVID-19) you filed that haven't been rejected by the IRS.

The IRS redesigned Form 7200 for second quarter 2021. They have cautioned employers that they must use the new form (Rev. April 2021), released in late May, to claim an advance of the second quarter 2021 COVID Tax Credits.

For more information, go to:

- [IRS Form 7200](#)
- [IRS Form 7200 Instructions](#)
- [Paychex PEO Form 7200 Explanation Guide](#)

FFCRA

- FFCRA information

- Qualified emergency paid sick leave and emergency family and medical leave wages.
- Qualified health plan expenses on qualified sick and family leave wages.
- Tax credits and **voluntary** provision of leaves under the FFCRA framework extended through **September 30, 2021** (third quarter).

Note: The paid leave is no longer a requirement effective December 31, 2020; however, employers can voluntarily provide leave to qualified employees under the FFCRA framework.

- Beginning April 1, 2021 employers can voluntarily provide 80 additional hours of Emergency Paid Sick Leave and 12 additional weeks of Emergency Family and Medical Leave. **Employers are responsible to track these limits and report only these types of wages up to the limits.**

Additional Reminders

Bonus Payrolls

- Bonus checks can be processed with your regular payroll. If a different check date or period-end date is needed, the bonus checks must be processed as a separate payroll.
- You can temporarily override direct deposit on bonus checks so your employees can receive paper bonus checks. Please call your Paychex payroll representative if you need assistance.
- If you are using a 401(k) plan offered through Paychex Retirement Services, we will automatically deduct any 401(k) contributions from the bonus checks of the employees participating in the plan. According to the plan, bonus pay is defined as compensation; therefore, it must have 401(k) contributions deducted, and must be reflected on Forms W-2.

Quarter-End Deadline Date

- The quarter-end deadline date for you to report changes for first quarter 2021 is **Thursday, September 30, 2021, by 4:00 p.m.** or before your first payroll with an April 2021 check date, **whichever date is earlier.**
- If payroll adjustments are necessary after the quarter-end deadline date, Paychex can reprocess tax returns; however, there is an additional charge and a processing delay. If you anticipate the need for payroll adjustments, contact Paychex immediately so returns can be processed at no additional charge.

If you have any questions, contact your Paychex payroll service representative.