

## **WAGE AND WITHHOLDING TAX REPORTS**

Important note: Forms W-3 and W-2 are now required to be mailed to the Social Security Administration **no later than January 31<sup>st</sup>**.

On or before January 31, 2019, employers must furnish each employee copies of Wage and Tax Statement, Form W-2, for the calendar year 2018. The original copy of all Forms W-2 (Copy A) and Form W-3 (Transmittal of Income and Tax Statements) must be filed with the Social Security Administration by January 31, 2019. You should keep a copy of the Form W-2 and W-3 for your records.

Wages, social security tax, Medicare tax and income tax withheld as reported on the Forms W-2 should be reconciled with the quarterly payroll returns (Form 941) and your accounting records. The reconciliation should be retained in your files.

Any cash gift, including gift certificates and gift cards, are taxable income and subject to employment taxes. Certain amounts paid to employees that were not subject to withholding must also be reported on the W-2. Included in this category are certain expense allowances, reimbursements and the cost of excess group-term life insurance. See the "Group Term Life Insurance Rates" file for more details on group-term life insurance. Please contact us regarding any specific questions you may have.

A new Form W-4 needs to be completed by the end of the year for any employee whose filing status has changed. If an employee claims exempt status, the exemption for 2017 expires on February 15, 2019, and a new Form W-4 should be completed every year by this date or withholding reverts to single with zero exemptions. Please be aware that Illinois is not a state that allows the federal Form W-4 to be used for both federal and state withholding purposes. A separate IL-W-4 is required to be filed out for each employee.

In addition, every employee hired after November 6, 1986, must also have a completed Form I-9 on file. Effective January 21, 2017, all employers are required to use the new edition of Form I-9 (expires 8/31/19) released by the USCIS (US Citizenship and Immigration Services); employers only need to complete the new edition of Form I-9 for new employees. The new Form I-9 may be accessed via the USCIS website: <https://www.uscis.gov/i-9>.