Year-End Reminders

December 2021

☐ If you process your own payroll, fringe benefit information needs to be turned in to us to be included on W-2s ***before December 18th***. This includes the following:

1.) Personal use of a company vehicle
2.) Cost of term life insurance over $50,000
3.) Medical insurance paid on shareholders owning 2% or more of company stock (S Corp only)

If you have a payroll processor, this information should have already been turned in.

☐ Please make sure all employees who had wages in 2021 (both active and inactive) have the correct address in your payroll system ***by December 31***.

☐ Notify your payroll processor of any Christmas or year-end bonuses paid by your company to your employees that did not go through your payroll system (cash, prizes, etc) ***before year-end***.

☐ If shareholders owning 2% or more of company stock (S Corp only) paid for their health insurance personally in 2021, a reimbursement check must be written from the corporation ***by December 31***.

☐ Mileage reimbursement owed to officers or employees, 56 cents per mile for 2021, must be done ***before December 31***. (The mileage rate for 2022 has not yet been published.)

☐ If you (personally) have either loaned money to your corporation or have borrowed money from your corporation during the year, there may be interest due for that loan. This interest needs to be paid ***by December 31***. If you have questions or need help with this, please give us a call.

☐ You should ***pay your personal bills out of your personal bank account and not out of your business bank account.*** We don't want you to risk piercing the liability protection of your corporate veil. Take enough dividends from your business to put the money into your personal account and then pay the personal bills out of that account.

☐ Corporations need to have minutes of meetings recorded. If you have questions, please talk with your attorney.

☐ Below are the 2022 contribution limits for 401k plans and SIMPLE IRAs.

	401k	SIMPLE IRA
Employee Elective Deferrals	$20,500	$14,000
Over 50 Catch-up Provision	$6,500	$3,000
Total for those over 50 years old	$27,000	$17,000