

## Bonus Payrolls

Many of our clients choose to process bonus payroll during the holiday season.

### **Important Notice:**

If you accumulate \$100,000 or more of Federal taxes on any day during a **deposit period**, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor. Many companies process their regular payroll first and then in the same **deposit period** process a bonus payroll. If the two payrolls added together have a Federal liability of over \$100,000, both Federal deposits have to be made next day. **Please inform your client service representative in advance if you will be processing more than one payroll in the same deposit period that may have a Federal tax liability over \$100,000 so that taxes may be paid in a timely matter.**

<u>Deposit Period</u>	<u>Due</u>
Wednesday, Thursday, Friday	following Wednesday
Saturday, Sunday, Monday, Tuesday	following Friday
Federal deposit over \$100,000	next banking day

Year-end bonus payrolls with a 2018 check date will be included in your 2018 wages. W-2 wages are based on check date.

Please let us know if bonus amounts are to be included in the regular payroll check, a separate check with the regular pay, or a totally separate payroll process. If you are processing a separate payroll, inform your client service representative in advance so we may add an extra process date to your calendar. Inform your CSR as to what deductions, if any, should be withheld from the bonus payroll checks.

**Note: If total wages for 2018 are over \$200,000 you will be taxed an additional .9% for Medicare. 2.35% instead of 1.45%**

## S-Corporation Premiums

An S-Corporation is required to include, for a 2% or greater shareholder-employee, the cost of accident and health insurance premiums paid on behalf of the shareholder-employee in the shareholder-employee's wages. These amounts are not subject to Social Security, Medicare and city tax. The S-Corp health insurance premium must be added to the employee's payroll check. **This fringe may not be grossed up.**

**The last day to make payroll adjustments is  
Thursday, December 27, 2018**