



PAYROLL • HR SERVICES



DEAR PAYROLL CLIENT:

We are fast approaching the end of the year and we want to remind you about some tasks to complete as soon as possible. Please read this newsletter carefully and keep it available for reference.

INCLUDED IN THIS NEWSLETTER:

- Important Dates - processing deadlines
- FAQs - frequently asked questions for year-end
- [2026 Update](#) - rates and limits for 2026
- Additional Wage Adjustments Checklist
- Bonus Payroll form - must be returned before bonus payrolls are processed

It is our goal to help you anticipate the information we need from you to complete your payrolls and year-end processing in a timely fashion. Any payroll adjustments and bonuses need to be processed before the end of December 2025 to ensure you do not receive any tax penalties, unless you return the checklist provided at the end of this newsletter indicating you will submit adjustments after December 31. Any late submissions that trigger a re-run of year-end processing without prior notice may incur re-processing fees.

Communication of your year-end activities is critical. If you have any questions, please ask your Payroll Specialist.

Sincerely,
The Payroll Support Teams at EBC

PLANNING FOR YEAR-END 2025

DATES TO REMEMBER:

NOVEMBER:

Check Date	Submit by Day	Submit Deadline
11/26/2025	11/24/2025	4:00pm
11/27/2025	Thanksgiving Holiday	Banks Closed
11/28/2025	11/25/2025	4:00pm
12/1/2025	11/26/2025	4:00pm

DECEMBER:

Check Date	Submit by Day (No Later Than)	Submit Deadline
12/22/2025	12/18/2025	4:00pm
12/23/2025	12/19/2025	4:00pm
12/24/2025	12/22/2025	4:00pm
12/25/2025	Christmas	Banks Closed
12/26/2025	12/23/2025	4:00pm
12/29/2025	12/24/2025	2:00pm
12/30/2025	12/26/2025	4:00pm
12/31/2025	12/29/2025	4:00pm

JANUARY:

Check Date	Submit by Day (No Later Than)	Submit Deadline
1/1/2026	New Years	Banks Closed
1/2/2026	12/30/2025	4:00pm

NOVEMBER

	S	M	T	W	T	F	S
44							1
45	2	3	4	5	6	7	8
46	9	10	11	12	13	14	15
47	16	17	18	19	20	21	22
48		24	25	26	27	28	29

DECEMBER

	S	M	T	W	T	F	S
49		1	2	3	4	5	6
50	7	8	9	10	11	12	13
51	14	15	16	17	18	19	20
52	21	22	23	24	25	26	27
53	28	29	30	31			

JANUARY

	S	M	T	W	T	F	S
1					1	2	3
2	4	5	6	7	8	9	10
3	11	12	13	14	15	16	17
4	18	19	20	21	22	23	24
5	25	26	27	28	29	30	31



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DATES TO REMEMBER

- 11/27/2025** EBC holiday & bank holiday. All offices and banks are closed. Contact your Payroll Specialist if you need to adjust your payroll schedule.
- 12/19/2025** Deadline to return Year End Adjustment and Bonus checklists (if applicable)
- 12/25/2025** EBC holiday & bank holiday. All offices and banks are closed. Contact your Payroll Specialist if you need to adjust your payroll schedule.
- 1/1/2026** EBC holiday & bank holiday. All offices and banks are closed. Contact your Payroll Specialist if you need to adjust your payroll schedule.
- 1/15/2026** EBC will begin distributing Q4 2025 Tax Returns and W-2s
- 1/7/2026** EBC must close out 2025 processing; any updates to 2025 payroll information submitted after 1/7 will require amendment at a fee of \$250 per quarter affected





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UPDATES ON LIMITS, RATES & CONTRIBUTIONS FOR 2026

Description	For 2026
Minimum Wage (eff 1/1/2026)	\$16.00/hr
NY—Upstate	\$16.00
NY—Upstate Fast Food	\$16.00
NY—Upstate Tipped Employees	\$10.70
NYS Exempt Minimum Salary	\$1199.10/week
Social Security Taxable Wage Base	\$184,500
Social Security Tax Rate	6.20%
Social Security Tax	\$11439.00
Medicare Tax Rate	1.45%
401k / 403b Contributions	
Maximum Employee Contribution	\$24,500.00
Catch-up Contribution	\$8,000.00
Age 60—63 Additional Catch-up	\$3,250.00
Max Employee—Employer Contribution	
Under 50	\$72,000
Over 50	\$80,000
60—63	\$83,250
IRA / Roth IRA Contributions	
Maximum Employee Contribution	\$7,500
Catch-up Contribution	\$1,100
Simple IRA Contributions	
Maximum Employee Contribution	\$17,000
Catch-up Contribution	\$4,000
Age 60—63	\$5,250
2026 Annual Compensation Limit — Max Amount Considered For Retirement Contributions	360,000

Health — Flexible Spending Accounts (FSA)	For 2026
Contribution Limit	\$3,400.00
Maximum Carryover Limit	\$680.00

Health Savings Accounts (HSA)	For 2026
Contribution Limit	
Self Only	\$4,400.00
Family	\$8,750.00
HSA Catch-up	\$1,000.00

IMPORTANT YEAR END INFORMATION

BILLING FOR YEAR-END W-2, 1095, AND 1099-NEC FORMS

Charges for 2026 forms W-2, 1095 and 1099-NEC will be invoiced with the last scheduled payroll in January.

HOLIDAY SEASON CHECK DATES

Please review your payroll calendar for check dates that occur around the Thanksgiving, Christmas, and New Year's holidays. November 27, 2025, December 25, 2025, and January 1, 2026, are banking holidays, so no direct deposit transactions will post on those dates. Please notify your Payroll Specialist with any check date changes prior to submitting payroll. Please refer to submission deadlines on page two of this newsletter.

MISSING ID OR SOCIAL SECURITY NUMBERS/EMPLOYEE ADDRESS INFORMATION

If you are missing your Federal ID (FEIN), State ID (EIN), the Social Security Number (SSN), and/or address for any of your employees, please report this information to your Payroll Specialist. Federal and state agencies can impose penalties for every employee without a Social Security number.

W-2 AND YEAR-END DELIVERY PROCESS

For companies who have not requested a hold pending adjustment, distribution of W-2s will begin the first week of January. Printed W-2s will be shipped to you via your normal tax delivery method, unless you typically pick up your payroll package at our office, in which case they will be available for you there as well as sent to you electronically if your account is set up to do so. For clients who have previously signed up for the Employee Self-Service (ESS) portal, their employees will also be able to access W-2s through ESS. Copies of W-2s must be distributed to your employees by January 31. If you have any special instructions for the printing or delivery of your W-2s, please inform your Payroll Specialist. For the protection of your employees' sensitive information, Social Security numbers will be automatically truncated on all W-2 forms, unless we receive a specific request otherwise.

REPORTING THIRD-PARTY SICK PAY (DISABILITY PAYMENTS)

By law, insurance companies have until January 15, 2026 to report to you any disability insurance benefits paid to your employees during 2025. Should you receive notification of such payment after reporting your last payroll for the year, please contact your Payroll Specialist immediately. If you expect to receive third-party sick pay information on any employee after your last payroll, please submit the Year-End Adjustment Checklist in advance. Since third-party sick pay affects all fourth-quarter and year-end returns, including W-2 forms, the processing of your returns will need to be delayed.

COMMON YEAR-END ADJUSTMENTS

PROCESSING BONUS PAYROLLS / FRINGE BENEFITS / ADDITIONAL WAGE INFORMATION

Please complete and return the checklist and forms provided in this Year-End Newsletter before these special year-end payrolls can be processed. The forms are designed to help your Payroll Specialist accurately process these special types of payrolls. If you have any questions when filling out these forms please contact your Payroll Specialist. Please note that gift cards are considered taxable earnings and must be reported on the W-2. If any single employee is paid a bonus of \$100,000 or more, the entire payroll must either be submitted 5 days in advance of the check date or funded with a wire transfer.

GROUP-TERM INSURANCE

Please report the amount of group-term life in excess of \$50,000 before your last payroll for this year. The value is based on an IRS published table that assigns a value for each \$1,000 of excess coverage per month based on the employee's age. The value of group-term life insurance in excess of \$50,000 that is included in total wages is FICA taxable, even if the insurance was provided through a cafeteria plan. As the employer, you are liable for the employee FICA if you decide not to withhold it.

FRINGE BENEFITS

The value of personal use of company cars or other taxable cash or non-cash benefit must be included on Form W-2. Please report these benefits BEFORE your last payroll for the year. Reporting taxable benefits with cash wages allows the appropriate withholding taxes to be deducted from the employee's check. If these amounts are processed without wages, you may be required to pay the employee's portion of Social Security and Medicare taxes. Specific information about several types of benefits is provided below.

DEPENDENT CARE ASSISTANCE

On Form W-2, employers are required to show in Box 10 (Dependent Care Benefits) the total amount of dependent care benefits paid or incurred for the employee, including any amount in excess of the \$5,000 exclusion. If you provided dependent care services to employees under an employer-sponsored program, you must report the benefits paid or furnished by your last scheduled payroll run.

FLEXIBLE SPENDING ACCOUNTS (FSA)

Contributions to an FSA are made before taxes and are used to pay non-covered health and dental costs like co-payments, deductibles, eye care, braces, prescription drugs or hospital care. FSA's can also be used to help pay for childcare and approved adult care. This is not required to be shown on the W2 form but can be added to Box 14 if you prefer (see Reporting Amounts on Form W-2, Box 14 at the end of this document).



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COMMON YEAR-END ADJUSTMENTS

HEALTH SAVINGS ACCOUNTS (HSA)

On Form W-2, employers are required to show in Box 12w any employer and employee contributions to a Health Savings Account. For 2026 the **limits will increase** to \$4,400 for Single HSA and \$8,750 for Family HSA, with a \$1,000 catch-up contribution allowed for those over the age of 55.

FORM W-2 REPORTING OF EMPLOYER-SPONSORED HEALTH COVERAGE

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of the health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from the employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities. The value of the health care coverage will be reported in Box 12 of the Form W-2 with Code DD to identify the amount. In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. More information can be found at <http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>.

NOTE: Employers who filed fewer than 250 Form W-2's for the preceding calendar year are not required to report healthcare coverage on their 2025 W-2's.

INFORMATION TO BE REPORTED ON W-2

REPORTING AMOUNTS ON FORM W-2 BOX 14

The IRS allows employers to use Form W-2, Box 14 (Other) to report information to their employees (e.g., charitable contributions, union dues). We can set up specific earnings/deduction codes to print in Box 14. If you want an earning/deduction code to print in Box 14, let your Payroll Specialist know during your next scheduled payroll. Please review the earning/deduction code descriptions you use. Only the first five letters of your earning/deduction code description will print in Box 14. This title should be as descriptive as possible.

Box 14 Example

Box 14:

14A: 125_H	• 125 H = Section 125 (Pretax) Health
14B: 125_D	• 125 D = Section 125 (Pretax) Dental
14C: DBL	• DBL = NYS Disability Insurance- employee contributions
14D: U_Way	• U way = United Way Contributions

For example, an earning/deduction code labeled "Misc." may not be sufficient to substantiate a charitable contribution. Your Payroll Specialist can have your earning/deduction code descriptions adjusted if necessary.

For each item you use, we will label beginning with 14A, 14B, and so on. You may have up to four items listed in Box 14, as shown in box to the left.

CODES REPORTED ON FORM W-2 BOX 12

In many cases, you may find an amount entered in Box 12 of your W-2 with a code indicating the type of payment that it represents. This is a listing of the codes for that box.

A:	Uncollected social security or RRTA tax on tips
B:	Uncollected Medicare tax on tips
C:	Taxable cost of group-term life insurance over \$50,000
D:	Elective deferrals to a section 401(k) cash or deferred arrangement
E:	Elective deferrals under a section 403(b) salary reduction arrangement
F:	Elective deferrals under a section 408(k)(6) salary reduction SEP
G:	Elective deferrals and employer contributions to a section 501(c)(18)(D) tax exempt organization plan
H:	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan
J:	Nontaxable sick pay
K:	20% excise tax on excess golden parachute payments
L:	Substantiated employee business expense reimbursements
M:	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000
N:	Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000
P:	Excludable moving expense reimbursements paid directly to employee
Q:	Nontaxable combat pay
R:	Employer contributions to an Archer MSA
S:	Employee salary reduction contributions under a section 408(p) SIMPLE
T:	Adoption benefits
V:	Income from the exercise of non-statutory stock options
W:	Employee/Employer contributions to an employee's Health Savings Account
Y:	Deferrals under a section 409A nonqualified deferred compensation plan
Z:	Income under a section 409A on a nonqualified deferred compensation plan
AA:	Designated Roth contributions to a section 401(k) plan
BB:	Designated Roth contributions to a section 403(b) salary reduction agreement
DD:	Cost of employer-sponsored health coverage
EE:	Designated Roth contributions under a governmental section 457(b) plan
FF:	Permitted benefits under a qualified small employer health reimbursement agreement (QSEHRA)
GG:	Income from qualified equity grants under section 83(i)
HH:	Aggregate deferrals under section 83(i) elections as of the close of the calendar year
II:	Medicaid waiver payments excluded from gross income under Notice 2014-7

PLANNING FOR 2026

IRS FEDERAL DEPOSIT NOTICE

In late November, the IRS will mail tax deposit frequency change notices to all employers who have a change in their deposit frequency for 2026. When you receive these notices, it is very important that you send them to us at EBC so we can update our records. We do not automatically receive this information.

STATE DEPOSIT FREQUENCY CHANGE NOTICE

We do not automatically receive this information from your state(s). When you receive these notices, it is very important that you send them to us at EBC so we can update our records. You may receive this information sometime in the 4th quarter.

UNEMPLOYMENT INSURANCE RATE CHANGE FOR 2026*IMPORTANT

We do not automatically receive this information from your state(s). When you receive these notices, it is very important that you send them to us at EBC so we can update our records. New York State does not send rate changes until mid-February, at which time your contributions for 2026 payrolls will be recalculated.

SOCIAL SECURITY WAGE BASE INCREASE FOR 2026

The Social Security Old Age Survivors and Disability Insurance (OASDI) wage base for 2026 has changed to \$184,500. Therefore, the maximum 2026 OASDI tax payable by each employee is \$11,439.00 or 6.2 percent of the wage base. That amount is matched by an equal contribution from the employer.

MEDICARE - ADDITIONAL HOSPITAL INSURANCE TAX

The Patient Protection and Affordable Care Act requires employers to withhold a 0.9% Additional Hospital Insurance Tax on High Income Taxpayers, this is also known as the "Medicare Surtax." Employers are required to withhold this additional tax on wages/compensation paid to an employee in excess of \$200,000 per calendar year. Our payroll system will automatically withhold this additional tax once an employee reaches the \$200,000 level.

2026 401(K), 403(B) LIMITS

The base limit for 2026 has increased to \$24,500, with an available catch-up contribution of \$8,000 for those plans and employees who qualify. PLEASE NOTE THAT OUR SYSTEM WILL STOP 401(K) WITHHOLDING AT THE \$24,500 LIMIT. If you have employees who elect the catch-up contribution, you MUST inform us so that the appropriate setting changes can be made.

NOTE: If you are a self-service user who submits payroll, you are responsible for the entry of these types of payrolls. If you have any questions, feel free to contact your Payroll Specialist as you process these payrolls.



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IMPORTANT CHANGES FOR 2026

SECURE 2.0: New Roth Catch-Up Rule for High Earners (Effective January 1, 2026)

A major provision of the SECURE 2.0 Act takes effect January 1, 2026, and it will significantly change how higher-income employees make their 401(k) catch-up contributions. Plan participants should prepare now to avoid compliance issues and disruptions.

Mandatory Roth Catch-Up for High Earners

Starting in 2026, employees who had more than \$145,000 in FICA wages in the prior year (2025 amount; indexed for inflation) will be required to make all catch-up contributions on a Roth (after-tax) basis.

- No more pre-tax catch-up contributions for employees over the wage threshold
- All catch-up contributions must be Roth (after-tax)
- Roth contributions grow tax-free if withdrawn in retirement under qualified rules
- The \$145,000 wage limit is applied per employer, even if an employee works multiple jobs
- Plans must offer a Roth contribution option to remain compliant
- Participants need to be aware that their take-home pay may change because catch-up amounts will be taxed up front

New York Secure Choice Savings Program

The New York State Secure Choice Savings Program is New York's retirement savings program for private-sector employees who do not have access to a retirement plan at work. Through automatic enrollment and payroll deduction, savers can contribute to Roth Individual Retirement Accounts (IRAs).

Employers are required to register and facilitate the program if you:

Have 10 or more employees, do not offer a qualified retirement plan, and have been in business for at least two years.

Employers required to facilitate the program must register by the following deadlines:

- 30 or more employees – March 18, 2026
- 15 to 29 employees – May 15, 2026
- 10 to 14 employees – July 15, 2026

New York Secure Choice will notify you when it's time for your business to register. You will need:

- Your federal employer identification number (EIN)
- Your unique Access Code from the notification we sent you

If an employer facilitates New York Secure Choice, employees will automatically be added to the program. From that point, employees have 30 days until contributions automatically begin to be deducted from their paychecks and deposit them into a Roth IRA.

During the 30 days, employees can choose to:

- Set up and customize your New York Secure Choice account.
- Do nothing and save automatically.
- Opt out. Participation in New York Secure Choice is completely voluntary for employees.



BONUS PAYROLL FORM FOR YEAR-END 2025

Please complete & submit to your Payroll Specialist

Co. ID# _____ Company Name _____ Date _____

PLEASE NOTE: If any single employee is paid a bonus of \$100,000 or more, the entire payroll must either be submitted 5 days in advance of the check date or funded with a wire transfer.

_____ *PROCESS BONUS AS A SEPARATE PAYROLL RUN*

_____ *PROCESS BONUS WITH A REGULAR PAYROLL RUN Issue as a separate check - YES / NO*

Period Ending Date _____ Processing Date _____ Check Date _____

TAXING OPTIONS

Choose one of the following taxing options. Consult your tax professional for additional information regarding bonus taxation. Your Payroll Specialist will use the information below to set up the appropriate taxation for your bonus payroll.

_____ *Take Regular Taxes*

_____ *Take FICA taxes, 6 block federal and state withholding*

_____ *Take Regular Taxes Excluding Additional Tax Withholdings*

_____ *I will provide EBC with pre-calculated gross-to-net figures*

_____ *Take supplemental wage tax for federal (22%) and applicable state, local and FICA Taxes.*

PAYROLL OPTIONS (PLEASE CHECK ALL THAT APPLY)

_____ *Block direct deposit and issue live checks*

_____ *Block all voluntary deductions except for pensions*

_____ *Block all voluntary deductions.*

_____ *Block the voluntary deductions listed*

DELIVERY OPTIONS (IF DIFFERENT THAN USUAL DELIVERY METHOD, SELECT ONLY ONE)

_____ *US Postal Service directly to employee*

_____ *Ground shipping to the business*

_____ *Next-Day Air shipping to the business*

_____ *Client pickup*

PLEASE NOTE: If you do not have any additional bonus payments, you do not need to return this form.

ADDITIONAL WAGE ADJUSTMENT CHECKLIST 2025

Please complete & submit to your Payroll Specialist no later than Friday, December 5, 2025

Co. ID# _____ Company Name _____ Date _____

If you will be reporting additional wage amounts for the 2025 tax year, please check the appropriate options below and return to your payroll specialist by December 22, 2025.

☐ **Third-Party Sick Pay**

Checking this option indicates that I (the client) am expecting to receive notice from my Disability Insurance Carrier regarding payments made to employees for 4th quarter 2025 after December 31. Therefore, please hold off on processing my quarterly tax returns until I notify you that all disability information has been received and any additions to 2025 payroll data have been made.

☐ **Insurance Premiums for Group Term Life (GTL) - reporting required for excess premiums paid**

We will be reporting GTL premiums (coverage over \$50,000), Withhold all taxes

We will be reporting GTL premiums (coverage over \$50,000), Block Fed & State taxes

☐ **Additional Manual Checks**

Any payroll related checks issued outside of the payroll system must be reported and processed to update YTD figures for W-2s and tax liabilities. This should be processed with a regular payroll run.

☐ **Allocated Tips**

☐ **Expense Reimbursements**

☐ **Moving Expenses** ☐ taxable ☐ non-taxable

☐ **Extra Bonus payroll runs - Please complete attached Bonus Payroll Form**

☐ **Misc. Fringe Benefits - Please complete attached addendum page**

☐ **S-Corp Health Insurance (2% Shareholder)**

☐ for reported insurance coverage we will BLOCK Federal/State withholding taxes

☐ for reported insurance coverage we will Withhold Federal/State taxes

Accident and health insurance coverage provided by an S-Corporation to its 2% Shareholder employees must be reported as income, and the cost of premiums must be reported as income on forms W-2.

☐ **ER Insurance Premium Value**

☐ Other: _____

☐ Other: _____

PLEASE NOTE:

-If you do not have any additional wage adjustments, you do not need to return this form.

-EBC does not provide tax advice. Please consult your tax professional or legal counsel.

-Please contact your Payroll Specialist with any questions on this checklist, form, or anything else in the newsletter.