ENGAGE PEO

Client Alert

Important 2025 Year-End Information Help Ensure Your W-2s are Accurate

As we approach year-end, please review the following information to ensure accurate payroll reporting, W-2 processing, and compliance. All actions require submission by specific deadlines (most by December 12, 2025). See details below. A checklist is also included for easy reference.

Please contact your Engage Payroll or Implementation Specialist with any questions.

Bonus Payment Guidelines and Reminders

- If you issue bonuses, please communicate with your Payroll or implementation Specialist within 48 hours of the delivery date.
- Bonuses will be paid using the employee's regular method of payment (direct deposit or live check). If an alternative method is preferred, please contact your Payroll Specialist.
- If you have our 401(k) plan, all bonus changes must be processed with our 401(k) vendor. The processing time is 48 hours.
- If you have client-sponsored benefits and do not want the deduction, please inform your Payroll Specialist no later than December 12.

Returned, Voided, or Manual Checks

- If you have any voided, returned, or manual checks from 2025 that have not been submitted to us, please do so no later than December 12, 2025. This will ensure the wages are properly adjusted—either removed or added to the employees' W-2, and that you receive the appropriate credit, if applicable.

Owner, Officer, Director, or Other Compensation

- To be included in your final 2025 pay date, all company-paid benefits of any kind must be received, so that all taxes are properly collected and paid.

Fringe Benefits

- All fringe benefits for 2025 must be submitted by your last pay date of 2025.
- These include Personal Use of Company Car, Moving Expenses, Group Term Life (GTL), Tuition Assistance, Employer HSA Contributions (plans not administered by Engage), Taxable allowances, Employee Stock Options, Meals or Lodging, Transportation Benefits (plans not administered by Engage).

Third Party Sick Pay

If you do not participate in our Short-Term or Long-Term disability plan and an employee has received benefits, please forward the information to Engage to record and report accordingly. Any information reported will be on the employees' W-2. Please ensure the provider is not preparing W-2s for your company.

Cost of Employer-Sponsored Health Coverage

(For clients who do NOT administer benefits through Engage).

- Under the Affordable Care Act, the total cost of employer-sponsored health coverage for each employee in the 2025 calendar year must be reported on Form W-2, (Box 12 under code DD). This amount includes both the employee and employer-paid portions of the health insurance premiums and is for informational purposes only.
- Engage will record the information provided on the W-2.

Employee Address/Email Changes

- Employee address changes must be received by December 31, 2025, to ensure receipt of Form W-2. Once processed, all W-2s will be available on the Engage Employee Portal by February 2, 2026.

ACA Year-end Reporting to the IRS:

- Form 1095c – historical data must be submitted to ACAReporting@engagepeo.com no later than January 10. 2026 to guarantee forms are post marked for delivery by March 2, 2026, IRS deadline date
- Individual State Mandate Reporting due before March 31 for: NJ, RI, MA, DC District, CA, and VT.
- Forms 1094c/1095c will be generated and mailed no later than March 2, 2026.

2025 Year-End Payroll and Reporting Checklist

CATEGORY	REQUIRED ACTION	DEADLINE
☐ Bonuses	Notify Payroll 48 hours before payment. Confirm deductions and 401(k).	Dec 12, 2025
☐ Returned/Voided/Manual Checks	Submit all unreported 2025 checks.	Dec 12, 2025
☐ Owner/Officer Compensation	Report company-paid benefits and stipends.	Dec 12, 2025
☐ Fringe Benefits	Submit taxable items (GTL, car, HSA, tuition, etc.).	Dec 12, 2025 / Final Pay Date
☐ Third-Party Sick Pay	Report outside disability payments.	Dec 12, 2025
☐ Employer-Sponsored Health Coverage Reporting	(For clients who don't administer benefits through Engage). Report total premiums for ACA Box 12, Code DD.	Dec 12, 2025
☐ Employee Address Updates	Submit address/email changes.	Dec 31, 2025
☐ ACA Reporting	Submit 1095-C data to ACAReporting@engagepeo.com.	Jan 10, 2026