

Each year, Paylocity processes over \$2 billion in tax payments in an accurate and timely fashion. Paylocity communicates with hundreds of tax authorities to remain informed of the latest payroll tax laws and procedures. To ensure clients' tax returns are error-free, we implement edit checks during payroll processing and automated notifications flag potential validity issues.

Federal Tax Filings

Paylocity makes all federal payments electronically via EFTPS (Electronic Federal Tax Payment System). Each quarter, Paylocity makes FUTA payments, regardless of the liability amount. Additionally, we file the IRS 941, 944 and 940 returns. If there are back-up withholding or pension distributions that require withholding of taxes, Paylocity will make the deposits and file form 945 at the end of the year.

State/Local Tax Filing

Paylocity files state returns and makes payments according to our clients' deposit frequencies. While most transactions occur electronically, we send paper payments as needed. We also file all of our clients' State/Local W-2 forms.

State Unemployment Tax Filing

Paylocity files the State Unemployment tax returns using the tax rates received from our clients. The unemployment tax is computed at each payroll run utilizing the tax rate at the time of payroll. Should the rate change mid-quarter, we recalculate the return at the end of the quarter, using the most recent rate. In the unlikely event a discrepancy occurs, we will issue a credit or debit on the last day of the month after the end of the quarter. This transaction is recorded on a Reconciliation Recap page that the client receives with their quarterly package.

As an optional service, Paylocity can help you control your unemployment costs by managing your unemployment related tasks or taxes. Dedicated unemployment cost management specialists handle unwarranted claims, annual tax rate notices, verify quarterly charge statements and provide representation at unemployment hearings.

Year-End Tax Filing

At Paylocity, we provide our clients with a special year-end newsletter explaining critical tax situations and detailing year-end procedures. As always, we are available to answer questions and help our clients manage this process.

Form W-2s are reported to the Social Security Administration at the end of the year by Paylocity. We will also produce and file Form 1099s with the IRS. For clients who have had federal 945 withholding throughout the year, Paylocity will produce and file Form 945 with the IRS as well. All State and Local tax reconciliation reports/returns and W-2s are filed on our clients' behalf.

Amended Return

When necessary, Paylocity will file all necessary amendments with respective government agencies.



Automated Updated Tax Table Changes/Notifications

Paylocity notifies clients of tax table updates via hard copy letter with their payroll packages. Clients can then download the updated tax tables from the Paylocity site. At year-end, Paylocity enhances the notification process by sending a year-end letter to clients. The clients' quarterly newsletter includes new tax table information as well.

W-2 Forms

Paylocity produces W-2/1099M forms and sends them to our clients in a sealed, ready for mailing format.