



Year End Packet - Action Items

S Corporation Owner's Health Insurance Costs

1. Identify current year cost of company provided accident and health insurance premiums for 2% or more shareholder-employees.
2. Provide the total cost to your payroll provider for inclusion on the shareholder's W-2. This amount is only reported as federal and state taxable wages. No withholdings (Federal, FICA, Medicare, State or Local) are required to be withheld.

Group-Term Life Insurance in Excess of \$50,000

1. Identify employees with group term life insurance policies in excess of \$50,000.
2. Calculate the taxable portion of the cost of the policy in excess of \$50,000 based upon IRS Table I provided. See Table I and example in 2021 Year End Packet
3. Provide each employee's taxable portion of group term life insurance to your payroll processing provider. The taxable portion is subject to FICA and Medicare withholding only (no federal or state withholdings required).

Personal Use of Auto

1. Distribute to all employees that use Employer-Provided Vehicles one of the following: "Notice: Exhibit 1" (2021 Year End Packet, page 4), "Notice: Exhibit 2" (page 5), or the "Employee Notice" (pages 6 and 7). Determine which notice is applicable by reviewing the descriptions on the 2021 Year End Packet, Page 3.
2. Distribute to all employees that use Employer-Provided Vehicles, the "Employee Representation Regarding use of Employer-Provided Vehicle" (2021 Year End Packet, page 9). If the employee had more than one vehicle available during the reporting period, please have them complete a separate form for each vehicle. **Communicate to your employees they are required to return the completed form to you by the first week of December or a specific date set by you.**
3. Upon receipt of the completed and signed forms, please contact our office for a copy of our 'Personal Use of Auto Calculator' Excel spreadsheet for use in determining the taxable amount for each employee. Or if you prefer, you can send the completed forms to us and we will prepare the calculations for you (standard hourly billing rates apply).
4. Provide each employee's taxable personal use of auto to your payroll processing provider. The taxable portion is subject to FICA and Medicare withholding only (no federal and state withholdings required).