NETCHEX

2026-2027 YEAR END GUIDE

# Prepare for year-end

## HR & payroll deadlines don't wait. Neither should you.

Year-end is when everything hits at once: W-2s, 1099s, ACA forms, and critical payroll deadlines. It's a high-pressure season where precision matters and there's no room for guesswork. That's where Netchex comes in. With intuitive tools, step-by-step checklists, and an industry-leading Services team, we help ensure nothing falls through the cracks, so you can close out the year with confidence.

### DATES TO KNOW

**Nov 17**
First year-end webinar, 11:00 AM CT

**Dec 29**
Last day to submit 2026 payroll without a wire

**Dec 30**
Final day to submit 2026 payroll and history adjustments

**Jan 1**
Amendment fees begin for late 2026 data

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Netchex does not give legal, tax, or accounting advice. You are responsible to ensure your use of Netchex product meets your individual business and compliance requirements.

WHAT TO SEND US

# Help us help you close the year smoothly.

Year-end reporting runs smoother when we've got the right details from your side. Sending in the items below enables accurate filings, prevents penalties, and keeps your returns moving without delays.

## Year-end information to submit

- **Third Party Sick Pay**
- **Fringe Benefits: Group Term Life, Personal Use of Auto**
- **Cost of Employer Sponsored Health Coverage**
- **Dependent Care Benefits**
- **Employer Contributions to Health Savings Accounts (HSA)**
- **Moving Expenses**
- **Stock Options**
- **Tip Allocation**
- **S-Corp**

**Important note:** Adjustments for these items are billable services. Charges apply whether adjustments are submitted before or after the cutoff deadline.

## Why this matters

Getting us the right info now = fewer headaches later. Every item above ties directly to how your W-2s, 1099s, and year-end filings are created. Submitting accurate filings by the deadlines avoids amendment fees and ensures a stress-free closing.

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WHAT TO SEND US

# Tax agency notices

### Filing frequency notices (IRS and state agencies)

If you've had a big jump in wages in any state, contact that state's tax agency to confirm frequency changes. Agencies don't directly notify Netchex about changes for you. Therefore, if your filing frequency changes and we don't know, penalties and interest could apply. Please be sure to submit notices to ensure no penalties are accrued.

### State unemployment rate notices for 2027

Most states send out new rates toward the end of the year. However, they don't automatically notify Netchex of rate changes, and incorrect rates can result in penalties. Please be sure to submit notices to ensure no penalties are accrued.

### Inactive ID numbers

Notify the Tax Department of any state withholding or unemployment ID numbers you no longer use and close your account with the agency if needed.

### Retirement plan contributions

If you need to change the maximum employer contribution (match) on your qualified retirement plan, let us know. The maximum employer contribution is defined in your plan documents and may change each year.

## Quick checklist

- [ ] Provide any additional information not yet reported (sick pay, fringe benefits, health coverage, etc.).
- [ ] Submit IRS and state filing frequency notices.
- [ ] Send in your 2027 unemployment rate notices (or let us handle it for you with Netchex Unemployment Cost Management).
- [ ] Contact us if retirement plan contribution limits need updating.
- [ ] All payment history adjustment requests must be submitted by **December 30, 2026**.

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CHECKLIST

# Your 2026 checklist

One list to keep year-end simple and stress-free. Year-end doesn't have to feel overwhelming. Use this checklist to double-check your data, tie up loose ends, and keep everything accurate before forms go out.

- [ ] Verify employee demographics (home address, Social Security numbers, name spelling).
- [ ] Confirm all tax ID numbers in the payroll system are current. Update or inactivate as needed.
- [ ] Submit all payment history adjustment requests by **December 30, 2026**, to be included on original returns and year-end forms.
- [ ] Make sure all on-demand and voided checks are entered into payroll history.
- [ ] Confirm 1099 contractors have the correct earnings codes in payroll history. Netchex will process 1099-NEC forms unless you opt out of this service.
- [ ] Notify Netchex of any additions or changes to your payroll processing schedule.
- [ ] Review the holiday schedule to avoid late direct deposits or package deliveries.
- [ ] Audit all third-party sick payments made in 2026.
- [ ] Submit any applicable fringe benefits (HSA contributions, GTL, personal auto use, moving expenses, etc.) by **December 30, 2026**.
- [ ] Confirm W-2 reporting of employer-sponsored health coverage (required for most large employers).
- [ ] Forward any federal or state filing frequency notices to Netchex.
- [ ] Forward state unemployment rate change notices to Netchex.
- [ ] Verify the ACA Dashboard setup. Complete wizards and load benefit data by **December 30, 2026** if not on NetBenefits for the full year (required for applicable large employers).
- [ ] Update your company holiday calendar. You can do this within Netchex.
- [ ] Make any necessary updates to your accrual plans. You can do this within Netchex if you are a customer.

**Tip:** The United States Social Security Administration (SSA) offers an SSN Verification Tool for employers. Review it here.

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CALENDAR

# Year-End Calendar

Plan ahead to keep paydays on track. Holidays shouldn't slow down payroll. Review the schedule below and adjust your processing dates to make sure direct deposits and deliveries land on time.

## Bank holidays

- Thu, Nov 26, 2026 · Thanksgiving
- Fri, Dec 25, 2026 · Christmas Day
- Fri, Jan 1, 2027 · New Year's Day
- Mon, Jan 18, 2027 · Martin Luther King Jr. Day

## Netchex payroll and holiday office closures

Our team will be out of office on these days:

- Thu + Fri, Nov 26–27, 2026 · Thanksgiving
- Fri, Dec 25, 2026 · Christmas Day
- Fri, Jan 1, 2027 · New Year's Day
- Mon, Jan 18, 2027 · Martin Luther King Jr. Day

**Did you know?** NetSpend Paycards and Gratuity Solutions provide employees with fast and reliable access to their earnings, whether it's wages, tips, or both. With direct deposit to a Skylight ONE® card, employees skip paper checks, avoid delays, and can track spending with mobile tools and alerts. For employers, it means lower costs, less admin, and a streamlined way to pay everyone on time.

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CALENDAR

# Holiday Processing Schedule

To avoid delays, line up your payroll dates with this guide:

| If your check date is | Submit payroll by | Your account is debited on | Employees paid on |
|---|---|---|---|
| **Thursday, 11/26/2026** | 3:30 P.M. CST on Monday, 11/23 | Tuesday, 11/24 | Wednesday, 11/25 |
| **Friday, 11/27/2026** | 3:30 P.M. CST on Tuesday, 11/24 | Wednesday, 11/25 | Friday, 11/27 |
| **Monday, 11/30/2026** | 3:30 P.M. CST on Wednesday, 11/25 | Friday, 11/27 | Monday, 11/30 |
| **Tuesday, 12/1/2026** | 3:30 P.M. CST on Wednesday, 11/25 | Friday, 11/27 | Tuesday, 12/1 |
| **Friday, 12/25/2026** | 3:30 P.M. CST on Tuesday, 12/22 | Wednesday, 12/23 | Thursday, 12/24 |
| **Monday, 12/28/2026** | 3:30 P.M. CST on Wednesday, 12/23 | Thursday, 12/24 | Monday, 12/28 |
| **Tuesday, 12/29/2026** | 3:30 P.M. CST on Thursday, 12/24 | Monday, 12/28 | Tuesday, 12/29 |
| **Friday, 1/1/2027** | 3:30 P.M. CST on Tuesday, 12/29 | Wednesday, 12/30 | Thursday, 12/31 |
| **Monday, 1/4/2027** | 3:30 P.M. CST on Wednesday, 12/30 | Thursday, 12/31 | Monday, 1/4 |
| **Tuesday, 1/5/2027** | 3:30 P.M. CST on Thursday, 12/31 | Monday, 1/4 | Tuesday, 1/5 |
| **Monday, 1/18/2027** | 3:30 P.M. CST on Wednesday, 1/13 | Thursday, 1/14 | Friday, 1/15 |
| **Tuesday, 1/19/2027** | 3:30 P.M. CST on Thursday, 1/14 | Friday, 1/15 | Tuesday, 1/19 |
| **Wednesday, 1/20/2027** | 3:30 P.M. CST on Friday, 1/15 | Tuesday, 1/19 | Wednesday, 1/20 |



**Tip:** Avoid last-minute delays with paper checks by encouraging your employees to enroll for direct deposit. Funds are loaded directly, with no waiting for mail or holiday shipping schedules.

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CALENDAR

# Important Dates

Mark your calendar for smooth year-end processing.

| | | |
|---|---|---|
| **Nov 17, 2026**<br>11:00 AM CT | Netchex Webinar 1: Year-End Close 2026: Prepare with Confidence | Webinar |
| **Nov 26, 2026** | Thanksgiving (Bank Holiday & Netchex Closed) | Closed |
| **Nov 27, 2026** | Black Friday (Netchex Closed) | Closed |
| **Dec 1, 2026**<br>11:00 AM CT | Netchex Webinar 2: ACA Year-End Simplified: 1095 Delivery Changes & ALE Compliance | Webinar |
| **Dec 15, 2026**<br>11:00 AM CT | Netchex Webinar 3: Year-End Deadlines & Fees: What to Submit and When | Webinar |
| **Dec 25, 2026** | Christmas (Bank Holiday & Netchex Closed) | Closed |
| **Dec 29, 2026** | Last day to submit payroll for 2026 without a wire (submit earlier if liability is higher than average). | Deadline |
| **Dec 30, 2026** | **Final day to submit payroll for 2026 (wire required).**<br>Last day for demographic changes<br>Deadline for payroll history adjustments and ACA setup for ALEs<br>Deadline for any delivery contact and option updates for W-2/1099 delivery | Deadline |
| **Jan 1, 2027** | New Year's Day (Bank Holiday & Netchex Closed). Amendment fees begin for late 2026 data. | Closed |
| **Jan 18, 2027** | Martin Luther King Jr. Day (Bank Holiday & Netchex Closed). | Closed |
| **Jan 26, 2027** | W-2 processing fees debited. | Fees |
| **Jan 29, 2027** | 1099 processing fees debited. | Fees |
| **Feb 5, 2027** | ACA additional processing fees assessed. | Fees |

⚠ **Important reminder:** If your payroll liability is over your average direct deposit liability amount, you will need to wire payroll funds to Netchex prior to your check date.

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EMPLOYER AND EMPLOYEE RECORDS

# Right names, right numbers, right on time.

Accurate information is the foundation of a smooth year-end. Clean records mean fewer headaches, fewer corrections, and more confidence. All backed by Netchex tools and support to keep everything on track.

### Confirm employee name, address, and Social Security number

Check details across multiple places in Netchex:

- Employee Demographics Page
- Employee Profile Report
- Publisher Generated Report

### Watch for invalid Social Security Numbers (SSNs)

Netchex submits SSNs to the United States Social Security Administration (SSA) throughout the year, and the results are uploaded to the Document Center. Review and update as necessary. Incorrect or invalid SSNs can trigger IRS and state unemployment penalties.

**Tip:** The SSA offers an online verification tool for employers. For assistance in the validation of Social Security numbers, access the Social Security Administration website here.

**Tip:** If you're pulling up the Employee Profile for income or employment verifications, remember you don't have to do it alone. Netchex provides free access to The Work Number, a service that securely handles employment and income verifications for you.

## Missing employee W-2

If you're asking, "Why didn't this employee receive a W-2?" here's how to check:

### 1 Look at Payment History

Did the employee have paychecks in 2026? If yes, confirm there are amounts in the Federal Withholding section. A W-2 is only issued if Federal Taxable Wages exist for the year.

### 2 Check Job Details

Is the employee's classification set to "W-2" or "W-2 Tipped"?

**If both answers are yes**

The employee's W-2 should be included. As an administrator, you can reprint it: Reports → Payroll → Year-End → Print W-2 Forms (Reissue). Select the appropriate Company and Year, use the Employee filter to choose one or multiple employees, then click Generate.

**If either answer is no**

The employee did not get paid correctly through Netchex payroll, so a payroll adjustment or amendment would be required. Please contact our Services team for further assistance.

**Tip:** Need help to find the right page in Netchex? Use the Search Bar to enter what you are looking for, and Netchex will get you there.

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YEAR-END REPORTS

# Reports to confirm accuracy before year-end filing.

Netchex provides several year-end reports to help you prepare for a successful closeout. Review the reports below to confirm the accuracy of your company and employee data.

## FUTA Credit Reduction Report

For employers in California, Connecticut, New York, and the Virgin Islands:

- You may owe increased Federal Unemployment Tax (FUTA) in January 2027 for wages paid in 2026.
- This report lets you review your current YTD liability.
- Netchex will notify you of the total due in December 2026 and collect any outstanding balance by 1/29/2027.
- The liability is due to the IRS by 2/1/2027.

## Employee Tax Profile Report

- Lists all employees with wages in the selected year(s).
- Shows each employee's tax setup, including W-2 classification and any blocked taxes.

## W-2 Verification Report

- Lists all earnings and deduction codes used in the selected year(s) and their W-2 mapping.
- Displays your company's legal name and delivery address.
- If you need to update your delivery address, go to the Search Bar and enter Contacts to update in Netchex.

## Year-End Exception Report

- Flags potential issues with individual W-2s.
- Issues may include invalid Social Security numbers or wage mismatches.
- Please review and take action; reach out to your service team if you need help resolving exceptions.

## Print Forms W-2 (Reissue)

- Allows you to view the employer copy of an employee's W-2.
- Can also reissue a lost W-2 to an employee.
- W-2s are updated quarterly and available upon request via the Submit a Case tool.

**Note:** A watermark appears until wages are verified by the Tax Department. This is removed once W-2s are ready for printing.

## Print 1099-NEC Forms (Reissue)

- Allows you to view the employer copy of an employee's 1099-NEC.
- Can also reissue a lost 1099-NEC to an employee.

**Note:** A watermark appears until wages are verified by the Tax Department. This is removed once 1099-NEC forms are ready for printing.

**Did you know?** Moving beyond traditional reporting tools that require extensive data manipulation and analysis, Netchex offers AI-driven Insights. Simply type your questions in plain language and receive clear, easy-to-understand answers that take data storytelling to the next level so you can plan 2027 with smarter HR decisions.

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ADDITIONAL BENEFITS

# Get every benefit reported correctly before year-end.

Certain benefits and payments require special year-end reporting. Review the requirements below to make sure everything is included on your employees' W-2s and your company filings.

## Third Party Sick Pay

For employers in California, Connecticut, New York, and the Virgin Islands:

- Federal law requires reporting of sick pay payments made to employees by a third party, along with any taxes withheld.
- These amounts must appear on the employee's W-2 or on a separate form from the third party.
- Be sure to obtain this information from your provider before your last 2026 payroll, so the 941 and W-2 forms are accurate.
- Additional charges apply if information is received after December 30, 2026.
- If you're unsure who is responsible for reporting (Netchex or your third-party provider), confirm with your provider right away.
  - If your provider is paying and reporting all taxes and preparing W-2s, do not send those payments to Netchex.

**Did you know?** Client Admins with payroll permissions can now run their own year-end rollover. Close the year smoothly and start the new one with confidence.

## Fringe benefits / personal use of auto / group term life insurance

- Federal law requires the value of certain non-cash fringe benefits to be reported on the 941 and employee W-2s.
- Taxable fringe benefits are treated as wages, subject to Federal Income Tax, FICA, FUTA, and sometimes state taxes.
- IRS regulations define what counts as a taxable fringe benefit and how to calculate value.
- Companies may interpret taxing rules differently. Netchex cannot provide legal advice. Please consult your CPA if needed.
- Submit all fringe benefit data before your last 2026 payroll. Additional charges apply for late submissions.
- Make sure employees have enough pay from which taxes can be withheld to avoid the employer covering employee tax liability.

**We can help you record this data before year end to avoid penalties, amendments, and extra fees.**

**Tip:** Netchex is excited to announce partnership with NEXT Worker's Compensation to help you protect your employees and business. Plus, linking Netchex payroll with NEXT gives you access to Pay As You Go billing to keep you compliant and make workers' comp simpler than ever.

**Stay compliant with no upfront costs** | **Improve your business's cash flow**

**Get set up in minutes and automate payments**

HEALTH COVERAGE AND W-2 DETAILS

# Reporting the cost of health coverage

## W-2, Box 12, Code DD

Employers are required to report the total cost of coverage under an employer-sponsored group health plan, including both the portion paid by the employer and the employee.

- The value of coverage is reported in Box 12 of the W-2 with Code DD.
- Reporting is required if you had more than 250 employees in the prior year, or you are self-insured.
- You can review your W-2 Report in Netchex for the prior year to confirm your W-2 count.

### Managing this reporting in Netchex

You can manage health coverage reporting directly in Netchex.

1. From your dashboard, go to Maintenance → Payroll → Form W-2 Health Coverage Reporting.
2. Review your company's setup.
3. Map benefit plans, deduction codes, and/or Employee Navigator data.

### How Netchex supports you

From health coverage reporting to ACA filings and retirement plan integration, Netchex makes compliance easier. The platform maps benefits directly into payroll and applies the right W-2 codes automatically. It also generates the IRS forms you need on time. And if questions come up, our industry-leading Services team is ready to guide you through every deadline. With Netchex, you stay compliant, cut down on admin stress, and give employees a clearer view of their benefits.

**Important:** Reporting coverage on the W-2 does not make it taxable. Employer contributions remain excluded from employee income. This reporting is informational only, giving employees useful, comparable data on the value of their health coverage.

For additional guidance, review the IRS resource on W-2 reporting of employer-sponsored health coverage.

### Other W-2 reporting details

- **Box 12, Code W:** Includes employer HSA contributions plus employee pre-tax contributions. Confirm all contributions are in payroll history.
- **Box 13, Statutory Employee:** Selectable under W-2 settings.
- **Box 13, Retirement Plan:** Automatically checked if you have a payroll-funded plan (401(k), 403(b), SIMPLE, etc.). You can also select manually.
  - Looking for a plan? Netchex offers integrated 401(k) retirement plan options through Vestwell. Navigate to 401k (Vestwell) in Netchex for more information.
- **Box 14:** Netchex uses this box to report total pre-tax deductions (labeled PRE-TAX). This is informational only and not required by the IRS. If you need edits, notify us by December 30, 2026, so changes appear on original W-2s.
- **Allocated Tips:** If you filed Form 8027 and need to report allocated tips, contact Customer Services for help setting up the correct earnings code and mapping.

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W-2 PROCESSING

# Transparent pricing and flexible delivery options.

From printing to electronic delivery, Netchex offers options that fit your workforce and ensure your filings go out on time. At Netchex, we make W-2 processing straightforward. Review the fees and timelines below to stay on track for year-end.

## W-2 processing fees

**$100**

**Base fee**

Includes transmittal of W-2 information to the SSA and an electronic copy of W-2s and W-3.

**$8**

**Per employee W-2 form**

Fees will be debited from your registered operating account on Tuesday, January 26, 2027.

**Invoice**

An invoice with fee details will be available in your Company Inbox.

| YE data sent to Netchex | W-2 forms | Company forms | Additional payroll fees |
|---|---|---|---|
| **By Dec. 30, 2026** | $100.00 base<br>$8 per W-2 form | Included | Normal payroll fees apply |
| **After Dec. 30, 2026** | $100 base<br>$8 per W-2 form<br>$25 per amended W-2 form | $250.00 base<br>$150.00 per amended form | $7 per check ($100 minimum per adjustment payroll) |

## W-2 processing timeline

| | |
|---|---|
| **Jan 4, 2027** | Reconciling of Q4 and annual returns begins. |
| **Jan 8, 2027** | W-2 printing begins. |
| **Week of Jan 25, 2027** | Q4 Company Packages (including tax returns) available in your Document Center. |
| **By Jan 26, 2027** | All W-2 packages completed and shipped. |

Monitor your W-2 status from the Netchex Info Widget on your Admin Dashboard.

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W-2 DELIVERY

# W-2 delivery options

OPTION 1

### Traditional method

- All W-2s are printed, sealed, and shipped in **one** package for you to distribute.
- Additional packaging and shipping fees: $31 for the first 50 employees, +$5 per additional block of 50.
- Tracking information automatically sent to email in W-2 Contact (Maintenance → Human Resources → Contacts). Additional tracking available upon request.

Recommended

OPTION 2

### Electronic delivery

- Employees must provide consent in Netchex by Dec 30, 2026 to receive W-2 electronically.
- Employees are notified by email when the W-2 is ready.
- Employees download their W-2 as a PDF.
- If no consent: Netchex prints and mails a paper copy to the employee's home address (as of Dec 30, 2026).
  - Additional fees: $1.25 per mailed copy.
- No tracking available for printed W-2s.

OPTION 3

### Direct mail

- W-2s printed, sealed, and mailed directly to employee home addresses (as of Dec 30, 2026).
- Mailing begins the week of Jan 11, 2027.
- No tracking available for printed W-2s.
- Additional fees: $1.25 per mailed copy.

## Impact of One Big Beautiful Bill for Year-End

The One Big Beautiful Bill Act (OBBBA) does not directly amend FLSA rules, but it does introduce a new W-2 reporting requirement. For tax year 2025, employers were not required to separately report qualified overtime compensation, and the IRS provided related penalty relief. Beginning with tax year 2026, employers must separately identify and report each employee's qualified overtime compensation in Box 12, Code TT on Form W-2. This doesn't change your withholding obligations, but it does mean your overtime earnings codes and FLSA classifications need to be accurate and complete before your last 2026 payroll so the correct amounts populate this year's W-2s. Netchex cannot provide legal advice; please consult your CPA or tax advisor on which of your overtime payments qualify.

However, if you still wish to allocate specific earnings to Box 14, Netchex offers full customization. By navigating to Maintenance → Payroll → Earnings and selecting the desired earnings code, you can adjust which boxes on the W-2 the earnings report to, including Box 14.

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1099-NEC PROCESSING

# 1099-NEC processing fees

From setup to shipment, Netchex ensures contractor reporting is fast and accurate, so you can focus on managing your workforce, not chasing paperwork.

## Set up 1099 with Netchex

To configure 1099 in Netchex, please follow the steps below:

1. Go to Maintenance → Payroll → select 1099 Processing.
2. If you want Netchex to file your 1099-NECs: select Transmit Company 1099 Data.
3. For printed 1099-NECs for distribution: select the checkbox next to each contractor.
4. Click Update.

## 1099 processing fees

- **$100 base fee:** Includes optional IRS transmittal and electronic copies of 1099-NEC and 1096.
- **$8 per contractor 1099-NEC form:** Debited from your Operating Account on January 29, 2027.
- Invoice will be available in Document Center by Jan 29, 2027.
- **Additional shipping:** $31 for the first 50 contractors, +$5 per additional 50.

## 1099 processing timeline

- Printing begins Jan 25, 2027. All packages shipped by Jan 29, 2027.
- FedEx direct shipping is only option available for 1099s.

AFFORDABLE CARE ACT (ACA) PROCESSING

# Compliance made simpler with Netchex

Staying ACA compliant means keeping up with forms, fees, and deadlines. Netchex makes it simple with clear costs, built-in reporting, and easy employee access. You meet every requirement with confidence. The Affordable Care Act (ACA) requires certain year-end reporting for employers. Netchex helps you manage these requirements directly in your payroll system, so you stay compliant, avoid penalties, and give employees a clear picture of their benefits.

> "Thank you for partnering with Netchex for your Benefits and ACA administration needs. The Netchex Team is here to guide you through Open Enrollment and ACA Reporting, so your employees are in good hands."
>
> **Michelle Lambert, Director of Benefits and Cobra, Netchex**

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ACA REPORTING

# ACA reporting requirements

Under the Affordable Care Act, Section 6056 of the Internal Revenue Code requires Applicable Large Employers (ALEs) to submit information returns to the IRS and give full-time employees a statement outlining the health insurance coverage they were offered.

- **Forms required:** Form 1094-C and Form 1095-C.
- **Applicable Large Employer (ALE):** Defined as a business that averaged at least 50 full-time employees during the prior calendar year. The calculation is based on business days across that year.
- ALEs may be a single entity or a group of related entities (parent/subsidiary or affiliates). Each is considered an ALE member and must file separately.
- The IRS uses this information to administer employer shared responsibility provisions (Section 4980H).
- Employees and the IRS also use the data to determine available eligibility for the premium tax credit (Section 36B).

Visit ACA Central in Netchex to confirm your setup is correct. For more details, review the IRS Affordable Care Act guidance.

ⓘ If you were on NetBenefits all year, your data will flow to the 1095-C. If you were not on NetBenefits all year or at all, you will need to import your missing benefit data. Refer to your ACA Central for months that data is needed and for the import template.

## 1095 processing

Staying ACA compliant means keeping up with 1095 forms, fees, and delivery rules. Netchex takes the complexity out of the process by handling IRS transmittals, creating employee forms, and giving you quick and easy ways to make those available to your employees.

- **$100 base fee:** Includes IRS transmittal of your company's 1095 data and electronic copies of 1094 and 1095 forms.
- **$8 per employee 1095 form:** Fees debited from your Operating Account in March 2027.
- An invoice will be provided before the debit.

| YE data sent to Netchex | 1095 forms | Company forms | Additional payroll fees |
|---|---|---|---|
| **By 1/31/2027** | $100.00 base / $8 per 1095 form | Included | **None** |
| **Between 2/1 – 2/14** | $100.00 base / $8 per 1095 form | Included | **$500** |
| **Between 2/15 – 2/28** | $100.00 base / $8 per 1095 form | Included | **$1,000** |
| **3/1 and after** | $100.00 base / $8 per 1095 form | Included | **$2,000** |

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ACA REPORTING

# 1095 delivery updates

The Paperwork Burden Reduction Act (Dec 2024) changed ACA reporting rules:

- Employers are no longer required to automatically send Form 1095-C to employees, they only need to provide it if an employee requests it.
- Employers must notify employees by Jan 31 of their right to request a 1095-C.
- If requested, a 1095-C must be furnished within 30 days.
- States with ongoing requirements: California, New Jersey, Rhode Island, Washington, DC.

### In Netchex

- Employees download their 1095-C via Employee Self Service.
- Netchex will not print 1095-C going forward. Admins can download via the Year-End Tax Forms page or the 1094-C/1095-C Report in Payroll Reports.

EMPLOYEE FAQS

## Quick answers to common year-end questions.

Our team helps employees and admins understand their W-2s and deductions, reducing confusion and questions during tax season. Netchex provides clarity and compliance in one place.

### W-2 CORRECTIONS

**What if my name or Social Security number is wrong on my W-2?**

Contact your payroll department. A W-2C will be filed to correct the error. The W-2C will only show the corrected information.

**What if my address is wrong on my W-2?**

That's okay. Use your correct address on your tax return. The SSA does not accept corrected W-2s for address changes.

### ACCESSING FORMS

**Will a corrected W-2C appear in my Year-End Tax Forms page in Netchex?**

No. Only original year-end forms are available there. For corrected copies, contact your payroll department.

### WAGE AND DEDUCTION QUESTIONS

**Why doesn't the YTD on my last paycheck match Box 1 on my W-2?**

Box 1 reports Federal taxable wages. This number is your total compensation minus any pre-tax deductions or deferred earnings throughout the year.

**Why are Boxes 3 and 5 different from Box 1?**

Boxes 3 and 5 report Social Security and Medicare taxable wages. Some deductions, like 401(k) contributions, are not subject to Federal income tax but are taxable for Social Security and Medicare. For 2026, the Social Security wage cap is $184,500. Medicare does not have a cap.

**Where are pre-tax deductions shown on the W-2?**

Pre-tax deductions are totaled and listed in Box 14 under the label PRE-TAX. Some specific deductions may also appear in other boxes as required by IRS rules.

**Why is my HSA contribution different from what's in Box 12, Code W?**

Box 12, Code W includes both employer contributions and employee pre-tax contributions. Your paycheck only reflects the employee portion.

**What does the amount in Box 12, Code DD represent?**

Box 12, Code DD shows the cost of employer-sponsored health coverage. This amount is informational only and not taxable. Note: Not all employers are required to report this in 2026.

Netchex does not give legal, tax, or accounting advice. You are responsible to ensure your use of Netchex product meets your individual business and compliance requirements.

**Did you know?** Netchex integrates with the industry's best tax filing systems, TurboTax and H&R Block. As an employee, all you have to do is go to your TurboTax or H&R Block account and search your employee name. You'll be able to view your W-2 directly there for simple and secure tax filings.

SUPPORT

# Netchex Supports You Every Step of The Way

Netchex pairs smart tools with real people who know payroll inside and out. Our industry-leading Services team is here to guide you through submissions, resolve Experience Hub cases, and review your reporting to ensure nothing slips through the cracks. From quick answers to hands-on support, we're committed to making your year-end smooth, accurate, and stress-free.

### Chat with Netchex AI
For instant answers and support

### Call Us
(985) 220-1410

### Submit a support ticket anytime
We'll follow up fast

### Go to the Experience Hub
To access our knowledge base

### Check System Status
For live performance updates

## Sign-Up to Receive Year-End Reminders

Deadlines don't have to sneak up on you. Netchex keeps you informed with reminders, clear timelines, and direct support, so your year-end closing stays on track.

Sign up for Netchex Year-End Reminders and we'll email you as frequently as you want. That way, you'll never miss a deadline. Sign up at netchex.com/prepare-for-year-end.

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