



### **Annual Payroll Letter (2017-2018)**

2018 is off to a great start and sure is flying by fast! 2017 was a year full of positive upgrades including optimization of our new payroll software. As the payroll industry has changed, we want to make sure we can offer the same online benefits as other payroll providers. These software upgrades will help us to be more efficient in the future.

You may notice that payroll team members have shifted as transitions are in place in our department internally. Please welcome our newest payroll specialists, Robert Napier and Tiffany Munn. Both are bringing years of payroll and customer service experience to CFO. We strive to be proficient in all working parts of this business, as every client has different needs and our new specialists will strive to meet those needs. We appreciate your continued business and look forward to accommodating you in the future.

Here is a list of the payroll updates for 2018:

1. Updated Federal Withholding tax tables are available on the IRS website. Our payroll software was updated with the new tax tables as of January 22, 2018.
2. New income tax laws in 2017-2018 have made significant changes that could affect employee's tax deductions and personal returns. For employees who would like further guidance on withholding, please refer them to the new IRS withholding calculator: <https://www.irs.gov/individuals/irs-withholding-calculator>
3. Effective 1/1/18, Colorado **minimum wage** increased to \$10.20 / hour and \$7.18 / hour for tipped employees.
4. The IRS's optional standard mileage reimbursement rate increased to **\$.545** / business mile.
5. The Social Security wage base increased and is at \$128,400.
6. The 2018 Colorado Unemployment Insurance wage base increased to \$12,600.
7. Retirement planning is a great way to reduce Income Tax liabilities. Contact our office for more information.

The 401k max for 2018 increased to \$18,500 with the catch-up contribution of \$6,000 staying the same, for a grand total of \$24,500.

The Simple IRA max for 2018 is \$12,500 with the catch-up contribution of \$3,000, for a grand total of \$15,500. This did not change from 2017.

8. The HSA Family maximum contribution limit for 2018 is \$6,850 and the HSA Individual contribution limit for 2018 is \$3,450.
9. As a reminder, the **deadline for direct deposit processing is 10 AM**, 2 business days prior to pay date. We prefer you send your payroll 3 to 4 business days in advance, so we have enough time to correspond if there are questions or changes on payroll. When you submit payroll, please review your #'s for accuracy before sending it to us. Thorough notes & communication are much appreciated. We do charge \$25 for payroll amendments as it takes us time to reprocess.



ACCOUNTING & TAX SERVICES

10. As always, forward any IRS or State correspondence to our office promptly. These agencies do not send us information directly; we need these forms so we make timely tax payments. Emailing or faxing this information to us is fine. CFO Colorado is not responsible for penalties and / or interest if you fail to provide this vital information.
11. The updated new hire paperwork will be on our website [www.cfocolorado.biz](http://www.cfocolorado.biz) shortly. Employee paperwork can be submitted via fax, email or our secure website drop box. Before sending us employee paperwork, make sure everything is filled in completely, signed & dated. We prefer you submit all new hire information PRIOR to sending us payroll, so we have enough time for accurate processing.
12. As a reminder for employers offering direct deposit to your employees, we cannot process it without either voided check OR an official bank form showing the routing # AND account #. No deposit slips are allowed, a lot of banks do not list proper information on these slips.
13. On the I9 form, technically we do not need that for our files. That is for your employee records in case you are audited. The government can charge penalties if the I9 form is not filled out completely, within 2-3 days of the employee's 1<sup>st</sup> day of employment.
14. For any client that we track Vacation / Sick / PTO totals on pay stubs, please review your employee stubs or payroll reports carefully to make sure accruals and carry-over is correct.
15. The annual garnishment fee was deducted in January from any employee that has an ongoing garnishment. This fee is to cover our time. The \$35 fee will be deducted from the employee's check, then included with your payroll fees. This fee is per garnishment, per employee.
16. Please update us immediately of any employee changes, wage increases, address changes, bank account updates, medical deductions, garnishments, etc. This information needs to come from either the business owner, or manager. **Your employees should not be contacting us directly.**  
We recommend having your employees fill out a new W4 each year.
17. Payroll fee updates for 2018 were emailed with Q4 2017 quarterly reports by Hannah. If you haven't received the fee update agreement, expect it in your email shortly. The updated fee is effective in March 2018, billed in April 2018. You do not need to sign & return the form, it is for your records only.

Lastly, the online payroll portal for employers will be setup in Q2. It is only optional to use, not required. Once we have worked out the kinks, we will send out a mass email to employers. Currently there is a link on our website for the employee pay stub portal. There is no charge for utilizing the pay stub portal or employer portal.

Thank you for your business! CFO Colorado Payroll Department

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