



Year End Payroll Letter (2016 – 2017)

2017 is off to a great start! 2016 was a year full of positive upgrades, and a payroll software conversion for all of our clients. As the payroll industry has changed, we want to make sure we can offer the same online benefits as other payroll providers. We have been working lots of hours to make this transition as smooth as possible. The upgrades will help us to be more efficient in the future. We strive to be proficient in all working parts of this business, as every client has different needs. Thanks for being patient with us during this time. We appreciate your continued business and look forward to accommodating you in the future.

Here is a list of the payroll updates for 2017:

1. Updated Federal Withholding tax tables are available on the IRS website. Our payroll software is always updated when there are tax updates with the IRS and individual states.
2. Effective 1/1/17, Colorado **minimum wage** increased to \$9.30 / hour and \$6.38 / hour for tipped employees.
3. The IRS's optional standard mileage reimbursement rate decreased to **\$.535** / business mile driven.
4. The Social Security wage base increased and is at \$127,200.
5. The Colorado Unemployment Insurance wage base increased as well, the new limit is \$12,500 for 2017.
6. Retirement planning is a great way to reduce Income Tax liabilities. Contact our office for more information.
The 401k max for 2017 is \$18,000 with the catch-up contribution of \$6,000, for a grand total of \$24,000. This did not change from 2016.
The Simple IRA max for 2017 is \$12,500 with the catch-up contribution of \$3,000, for a grand total of \$15,500. This did not change from 2016.
7. As a reminder, the **deadline for direct deposit processing is 10 AM**, 2 business days prior to pay date. However, we always prefer you to send your payroll 3 to 4 business days in advance so we have enough time 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.
8. 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.
9. All of the updated new hire paperwork will be on our website www.cfocolorado.biz shortly. Employee paperwork can be faxed or emailed to our office. We also have a drop box link on our website for secure transmissions. The Colorado Affirmation of Legal Work status is no longer required by Colorado to be filled out.



Before sending us employee paperwork, make sure everything is filled in completely, signed & dated. We prefer to have all new hire information entered and double checked PRIOR to processing payroll, so sending us the new hire paperwork when your employees start is strongly encouraged.

10. As a reminder for employers offering direct deposit to your employees, we cannot process it without either a 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.
11. On the I9 form, technically we do not need that for our files. That is for your employee records. The government can charge penalties if this form is not filled out completely, within 2-3 days of the employee's 1st day of employment. We will send out more information about this in the future.
12. For any client that we track Vacation / Sick / PTO totals on pay stubs, please review your employee stubs carefully to make sure accruals and carry-over is correct.
13. The annual garnishment fee will be deducted from any employee that has ongoing garnishments. This fee is to cover our time spent. The \$35 fee will be deducted from the employee's check, then included with your payroll fees in February. This fee is per garnishment, per employee.
14. Please update us immediately of any employee changes, wage increases, address changes, bank account updates, medical deductions, garnishments, etc. Ongoing, updates like this can be completed on the online portal. This information needs to come from either the business owner, or managers. **Your employees should not be contacting us directly.** We recommend having your employees fill out a new W4 each year.
15. The payroll fee updates for 2017 went in the mail last month. The updated fee is effective in January, billed in February. You do not need to sign & return, it is for your records only.

Lastly, we are currently in the process of setting up the online payroll portal. It is optional to use. We will be sending out instructions for you via email. There will be a link on our website as well. Ongoing, you & your employees will receive an email once pay stubs and reports are available each payroll. There is no charge for this service.

Let us know if you have any questions! Thank you for your business!

CFO Colorado Payroll Department

Kelly Collins
Tricia Glann
Stefanie Griffin
Liz Ogg