Focus

CLS II 2.51 Update is Scheduled for Release December 8th

CLS II 2.51 contains a number of payroll forms that have been updated for year-end and fourth quarter filing. Here are a few of this year's changes:

- **Georgia**: Electronic filing of SUTA wage information is now required all employers with **25+** employees. *State Unemployment Media & eFile* (**SM**) now creates files which may be submitted using the state's portal, rather than the CD/flash drive format that is being discontinued.

- **Ohio**: Electronic filing of W-2s and 1099-Rs is now required all employers with **10+** employees. *W-2/1099 Magnetic Media* (**TM**) continues to support W-2 and 1099-R filing for Ohio.

- **Virginia**: Electronic filing of SUTA wage information is now required for *all* employers. **SM** continues to support electronic filing for Virginia.

- The *Employee COVID-19 Wage Statement* reports *Sick and Family Leave* wages separately based on whether they were earned during or after first quarter, 2021.

- When printing a final 941, 943, 944 or 945 for a business, you may now print a "final return statement" to be attached to the form. This statement provides the information regarding a final filing as requested in the form instructions provided by the IRS.

- Form 1099-NEC has been redesigned; this previously 2-up form is now a 3-up form. Keep that in mind when ordering your 1099-NEC forms this year.

Reminder: Please take the time to read through the *Release Notes* after installing any CLS update. These notes are where you'll find out what's included in the update, such as bug fixes and newly added features, as well as, information about recent changes in payroll filing requirements.

The *CLS II ~ Bank Account Transfer*™ program (**BA**) allows you to import transactions which have been exported from your clients' online bank accounts. **BA** can import transaction files which use either the *QBO* (QuickBooks 2005 & newer) or *QFX* (Quicken 2005 & newer) file format. Transactions may be imported from debit accounts (checking, savings, money market and other investment), and credit accounts (credit cards and line of credit). Our favorite use for **BA** is importing credit card transactions; it is especially helpful when your client uses their credit cards for automatically paying routine charges each month. The end result will be just as if you had entered these transactions in **ET**. Account numbers and any memorized descriptions will be automatically applied the next time you import transactions for the same bank account.

In case you missed it last year, the *Worksheet Interface* (**WI**) program is included in CLS II. With *Worksheet Interface* you can export CLS account balances to Excel™ spreadsheets (using either the XLS or XLSX format). Documentation for *Worksheet Interface* can be found in the *CLS Reference Guide*, under *CLS Main Menu Programs*.

Not sure which add-ons you might be interested in? You can find documentation on ALL CLS add-ons, whether you own them or not, by accessing **DOC** (or **F1**) **5**. You can check out any requirements and get a general idea of what is involved for using any particular add-on.

Beginning with this year-end, Client Ledger System products will only be available for download. Shipping costs have continued to increase and now we can no longer guarantee the delivery of our software in a timely fashion. We hope you can understand our frustration with this situation and apologize for any inconvenience it may cause.

Electronic Filing Requirements are Changing!

The IRS has proposed regulations which would change the electronic filing requirements for forms W-2, W-2c, 1099 and 1098. Final regulations have not yet been released. We will follow-up with a future email from FMSI when these regulations are finalized.

If the regulations are finalized as currently written, the new electronic filing requirements will be:

Current Requirements	Payroll Year 2021 Forms filed beginning January 2022	Payroll Year 2022 Forms filed beginning January 2023
Employers with 250+ of each form type must file that form type electronically	Employers with **100+** total of **all** form types, must file all form types electronically	Employers with **10+** total of **all** form types, must file all form types electronically
Corrected returns are also subject to 250 efile threshold	Corrected returns must be filed in the same manner (paper or electronic) as the original returns	Corrected returns must be filed in the same manner (paper or electronic) as the original returns

W-2/1099 Magnetic Media (**TM**) creates electronic W-2 files that can be transmitted to the SSA and 1099/1098 original and corrected files that can be submitted to the IRS.

Nelco Web Reporting Center (**NW**) allows a third-party to handle employer and employee copy distribution and the electronic filing of forms *W-2, 1099-MISC, -NEC, -INT, -DIV* and *-R*.

New this year: **TM** and **NW** are being updated to include electronic filing of form *W-2c*.

Nelco Web Reporting Center

By using the CLS add-on *Nelco Web Reporting Center* (**NW**), you can transfer the burdens of printing, mailing and filing W-2s and 1099s to Nelco, FMSI's preferred forms provider for many years. **NW** supports W-2, 1099-MISC, 1099-NEC, 1099-INT, 1099-DIV and 1099-R reporting while providing a simple interface for transferring your data between CLS and the Web Reporting Center.

NW and the *CLS ~ Tax Media & eFile for W-2s/1099s* (**TM**) add-on both help with W-2 and 1099 filing and cost the same amount to purchase. So, which one is the better option for you? That depends on how much of the year-end filing process you would like to be handled by someone else.

For those familiar with the **TM** add-on, using **NW** is similar. In **NW**, as with **TM**, you create an intermediate file, select the ledgers and payroll series to be included, and build a file containing the W-2 or 1099 data to be submitted. From within CLS, **NW** connects to Nelco's website and transfers your data file where you select services to be performed. Available services include recipient processing (which includes printing, mailing and providing immediate online retrieval of W-2 and 1099 forms) and federal and state electronic filing.

In both cases, the same amount of effort goes into getting the forms ready for submission, but here are the main differences between the two approaches:

- **NW**: You select the filing services you want. Services offered include federal and state filing and the printing, mailing and immediate online retrieval of recipient copies. Once you've transmitted the files and submitted the batch, your work is done and there is no additional cost for forms, envelopes and postage or the labor involved in the printing and mailing process.

- **TM**: You do it all. For files you've created, you'll submit federal and state filings using the allowable filing method (via website upload or mailed magnetic media) for each agency and you'll print and mail the recipient copies of forms. Electronic filing is free, but you will buy the forms and envelopes, print the forms, pay the postage, stuff the envelopes and mail them.

The fees for Web Reporting Center are based on the volume of forms processed. Information about Nelco's pricing can be found at https://clientledgersystem.nelcoportal.com/Content/Filing_Information. Your Web Reporting Center benefits continue throughout the year *at no additional cost to you*. If an employee requests another copy of his or her W-2, simply login, select the form, and enter the employee's email address; an email will be immediately sent to the recipient allowing online access to the form.

2021 Year-end Payroll Tax Form Reminders

New formats for the 2021 W-2 and 1099/1098 laser-printed plain-paper and preprinted forms are included in CLS II 2.51. ***Remember, you must update CLS II if you plan to print federal or state payroll tax forms on plain paper.***

For W-2/W-3 forms, and for 1099-NEC forms, the federal filing deadline is 1/31/22.

All W-2 and W-3 forms (**including Copy A**) may be printed on plain-paper. *For 1099, 1098 and 1096 forms, all copies* (**except Copy A**) may be printed on plain paper. When filing using paper forms, Copy A must be filed using "official" scannable forms – the IRS may impose a penalty if black & white forms are used. Submittable 940, 941, 943, 944 and 945 forms may also be printed on plain paper.

The IRS has clarified that employers are still required to file and provide employee copies of ACA forms. Electronic submissions and forms may be prepared using the *Affordable Care Act Reporting* (**AC**) add-on.

The *W-2 and 1099 Worksheets* (**TF 6**) should be used before ordering and printing W-2s and 1099/1098s. Worksheets provide counts of the W-2 and 1099 forms required, lists of employees and vendors with incomplete name or SSN information, and an audit report of the first, middle and last names of each employee.

You may directly access the Nelco website for ordering CLS-compatible W-2, 1099/1098 and ACA forms from CLS using **TF 8**, *Order Forms from Nelco*.

The 941 form for **2022** will be part of the March 2022 update. For more specific information about the changes affecting federal and state forms, please refer to the current version of the *CLS Release Notes*.

Updates for CLS II Payroll Add-on Packages

If you are using any of these add-on payroll packages, they must be kept "current". All add-ons have been updated to reflect current forms and file formats.

The ***Affordable Care Act Reporting*** (**AC**) program allows printing and electronic filing of the ACA forms required to be filed by employers. *Forms 1094/1095-B* must be issued by all self-insured employers with fewer than 50 full-time employees. *Forms 1094/1095-C* must be issued by all large employers with 50 or more full-time employees.

The ***Nelco Web Reporting Center*** (**NW**) program simplifies W-2 and 1099 filing and the distribution of employer and recipient copies. Supported forms include *W-2, 1099-MISC, -NEC, -INT, -DIV* and *-R*. This add-on allows a third-party to handle electronic filing of federal and state returns, creation of employer "file copy" forms, and recipient form distribution, which includes online form retrieval and a print and mail service. Current pricing for Nelco's services can be found at https://clientledgersystem.nelcoportal.com/Content/Filing_Information.

The ***Tax Media & eFile for W-2s/1099s*** (**TM**) program creates *W-2* files that can be transmitted to the SSA and *1099/1098* files that can be transmitted to the IRS. Additionally, files may be created for state submissions, for states which accept the federal format.

The ***XML Filing of 94x Forms*** (**XM**) program lets you create *940, 941, 943, 944* and *945* XML files to be submitted to the IRS electronically. **Note**: New **XM** users must complete the online IRS application 45 days prior to filing returns electronically.

The ***State Unemployment Media & eFile*** (**SM**) program allows you to submit wage continuation sheet information electronically to selected states. A few states also require a printed tax return, which may be printed using **UP**. State filing requirements are listed at https://www.clientledgersystem.com/PDFs/clsIIinstructions/SM and UP Supported States.pdf.

The ***State Withholding Forms & eFile*** (**SW**) program supports filing of state withholding information to **Illinois** and **South Carolina**. **SW** supports electronic filing of Illinois *IL-941* and *IL-941-X* and paper filing of South Carolina *WH-1601*, *WH-1604* and *WH-1605*.

The ***Unemployment Plus*** (**UP**) program provides the ability to print submittable unemployment tax cover pages for certain states. Supported states are listed at https://www.clientledgersystem.com/PDFs/clsIIinstructions/SM and UP Supported States.pdf.

For more information on these add-on packages, product manuals are available by entering **DOC** or pressing **F1** from the CLS menu, then selecting **5**.

Assorted Notes

Reminder for NW users

If you process W-2 or 1099s using *Nelco Web Reporting Center* (**NW**), remember to delete or process any pending submissions before December 1st. Nelco will delete any forms that haven't been completely processed when it performs year-end maintenance in early December.

Did you know there's an easier way to print your 94x forms?

If you occasionally forget to print all of the required 94x forms, like the 941 Schedule B or payment vouchers, simply select "*****" as the form type to print all applicable forms for the selected ledger.

SM and UP Supported States

Past newsletters have included a chart listing the states supported by the *SUTA Magnetic Media* (**SM**) and *Unemployment Plus* (**UP**) add-on packages. In order to keep this SM/UP chart updated with the most current requirements, we are now supplying it as an electronic version that be can accessed anytime at https://www.clientledgersystem.com/PDFs/clsIIinstructions/SM and UP Supported States.pdf.

Don't forget to order your add-on programs!

CLS II add-on programs are compatible only with the CLS II version for which they are released. If you use the *Affordable Care Act Reporting*, *Bank Account Transfer*, *Nelco Web Reporting Center*, *Tax Package Interface*, *Tax Media & eFile for W-2s/1099s*, *Unemployment Plus*, *State Withholding Forms & eFile*, *State Unemployment Media & eFile* or *XML Filing of 94x Forms* add-on products, remember to update them also. Update prices for add-on products apply only if you own licensed versions of those products.

Download your CLS Software

Based on the way shipping is continually being delayed as well as the large increase we've seen in shipping rates this year, we have made the decision that we will no longer offer CDs as a delivery option for CLS products. All products will be available for downloading. For our customers in Georgia, there is an added benefit: *no sales tax is charged on downloaded software*. Please make sure the correct email address is listed on your order form. This is where we will send your invoice and download link once the current versions are available.

CLS~CheckWriter Payroll Tax Updates

CW 4.01 includes new federal and state payroll tax tables for 2022. The new version is expected to be released the week of December 13th.

FMSI Holidays

Financial MicroSystems will be closed on November 25th - 26th for Thanksgiving, and December 23rd - 24th and December 30th - 31st for the holidays.

Need Forms or Check Stock?

Nelco is our AUTHORIZED SOURCE for CLS-compatible W-2 & 1099/1098 forms, ACA forms, checks and envelopes. You may directly access the Nelco website from CLS using **TF 8**, *Order Forms from Nelco*. Or, to order CLS-compatible forms and supplies:

Online ....www.nelcosolutions.com/clientledgersystem
Email...Nelco@NelcoSolutions.com
Call 800.266.4669

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